

02 FEB 5 AM 11:14

RECORDATION REQUESTED BY:

South Valley Bank & Trust
Commercial Branch
P O Box 5210
Klamath Falls, OR 97601

Vol M02 Page 6969

WHEN RECORDED MAIL TO:

South Valley Bank & Trust
Commercial Branch
P O Box 5210
Klamath Falls, OR 97601

State of Oregon, County of Klamath

Recorded 02/05/2002 11:14a m.

Vol M02, Pg 6969-71

Linda Smith, County Clerk

Fee \$ 3.00 # of Pgs 3

SEND TAX NOTICES TO:

South Valley Bank & Trust
Commercial Branch
P O Box 5210
Klamath Falls, OR 97601

MTL 1396-3583

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST dated January 30, 2002, is made and executed between Leo F. McKoen Jr. DBA: McKoen & Son ("Grantor") and South Valley Bank & Trust, Commercial Branch, P O Box 5210, Klamath Falls, OR 97601 ("Lender").

DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated April 13, 2000 (the "Deed of Trust") which has been recorded in Klamath County, State of Oregon, as follows:

Recorded in the Clerk's office of Klamath County, State of Oregon on June 22, 2000 in Volume M00 at page 22773, Modified on June 26, 2002, recorded on July 9, 2002 in Volume M01, Page 33137.

REAL PROPERTY DESCRIPTION. The Deed of Trust covers the following described real property located in Klamath County, State of Oregon:

See attached Exhibit "C" and by this reference incorporated herein

The Real Property or its address is commonly known as Cellar, Merrill, OR 97623.

MODIFICATION. Lender and Grantor hereby modify the Deed of Trust as follows:

Extend the maturity date to March 30, 2002.

CONTINUING VALIDITY. Except as expressly modified above, the terms of the original Deed of Trust shall remain unchanged and in full force and effect. Consent by Lender to this Modification does not waive Lender's right to require strict performance of the Deed of Trust as changed above nor obligate Lender to make any future modifications. Nothing in this Modification shall constitute a satisfaction of the promissory note or other credit agreement secured by the Deed of Trust (the "Note"). It is the intention of Lender to retain as liable all parties to the Deed of Trust and all parties, makers and endorsers to the Note, including accommodation parties, unless a party is expressly released by Lender in writing. Any maker or endorser, including accommodation makers, shall not be released by virtue of this Modification. If any person who signed the original Deed of Trust does not sign this Modification, then all persons signing below acknowledge that this Modification is given conditionally, based on the representation to Lender that the non-signing person consents to the changes and provisions of this Modification or otherwise will not be released by it. This waiver applies not only to any initial extension or modification, but also to all such subsequent actions.

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MODIFICATION OF DEED OF TRUST AND GRANTOR AGREES TO ITS TERMS. THIS MODIFICATION OF DEED OF TRUST IS DATED JANUARY 30, 2002.

GRANTOR:

x Leo F. McKoen Jr.
Leo F. McKoen Jr. DBA: McKoen & Son, Individually

AMERITITLE, has recorded this
Instrument by request as an accommodation only,
and has not examined it for accuracy and sufficiency
or as to its effect upon the title to any real property
that may be described therein.

LENDER:

x Hal Sturgeon
Authorized Officer

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Oregon
COUNTY OF Klamath

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) SS
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On this day before me, the undersigned Notary Public, personally appeared Leo F. McKoen Jr. DBA: McKoen & Son, to me known to be the individual described in and who executed the Modification of Deed of Trust, and acknowledged that he or she signed the Modification as his or her free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 31st day of January, 2002.

By Hal Sturgeon Residing at Klamath Falls

Notary Public in and for the State of Oregon My commission expires Nov 16, 2003

LENDER ACKNOWLEDGMENT

STATE OF Oregon

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COUNTY OF Klamath

) SS

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On this 31st day of January, 20 02, before me, the undersigned Notary Public, personally appeared Nat Sturgeon and known to me to be the Loan Officer authorized agent for the Lender that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of the said Lender, duly authorized by the Lender through its board of directors or otherwise, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this said instrument and that the seal affixed is the corporate seal of said Lender.

By Cynthia L. Jensen

Residing at Klamath Falls

Notary Public in and for the State of Oregon

My commission expires 3/30/05

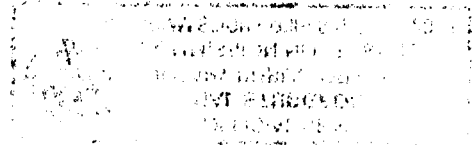


Exhibit "C"

A parcel of land situated in Government Lot 11, Section 16, Township 41 S., Range 11 E.W.M., Klamath County, Oregon, being more particularly described as follows:

Beginning at the intersection of the East line of said Section 16 with the Northeasterly right of way line of Oregon Highway No. 39; thence N. 39 deg. 38' 52" W. along said right of way line a distance of 712.19 feet to a 5/8" iron pin, on the North line of said Lot 11; thence leaving said right of way line N. 89 deg. 59' 44" E. a distance of 454.39 feet to the East line of said Section 16; thence S. 0 deg. 00' 16" E. along said Section line a distance of 548.41 feet to the point of beginning, LESS and EXCEPTING the East 30 feet thereof contained in the right of way U.S.R.S. No. 42 Drain heretofore conveyed by Dora Pope, et vir, to the United States by deed recorded in Volume 69, page 151, records of Klamath County, Oregon.

The above described tract contains 2.50 acres, more or less.

Attached to Security Instrument dated 1/30/02 and by this reference incorporated herein.