

RECORDATION REQUESTED BY:

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

Vol M02 Page 34224

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 06/11/2002 3:03 p.m.
Vol M02, Pg 34224-20
Linda Smith, County Clerk
Fee \$ 21.00 # of Pgs 3

SEND TAX NOTICES TO:

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

mtc 50064

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST dated June 6, 2002, is made and executed between Klamath Cascade Group, LLC; 2918 Edison St.; Klamath Falls, OR 97603 ("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 December 27, 2001 (the "Deed of Trust") which has been recorded in Klamath County, State of Oregon, as follows:

Recorded on January 14, 2002 in the Klamath County Clerk's Office in Klamath in Volume M02, Page 2173.

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

See Exhibit "A", which is attached to this Modification and made a part of this Modification as if fully set forth herein.

The Real Property or its address is commonly known as Skyes Blvd., Klamath Falls, OR 97601.

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

Increase the loan from \$575,000.00 to \$1,452,000.00.

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 endorser 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 JUNE 6, 2002.

GRANTOR:

KLAMATH CASCADE GROUP, LLC

By: Robert A. Stewart
Robert A. Stewart, Member of Klamath Cascade Group, LLC

By: Marilyn Stewart
Marilyn Stewart, Member of Klamath Cascade Group, LLC

LENDER:

X Jeffrey S. Burdson
Authorized Officer

LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF Oregon
COUNTY OF Klamath

)
) SS
)



On this 6 day of June, 2002, before me, the undersigned Notary Public, personally appeared Robert A. Stewart, Member; Marilyn Stewart, Member of Klamath Cascade Group, LLC, and known to me to be members or designated agents of the limited liability company that executed the Modification of Deed of Trust and acknowledged the Modification to be the free and voluntary act and deed of the limited liability company, by authority of statute, its articles of organization or its operating agreement, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute this Modification and in fact executed the Modification on behalf of the limited liability company.

By: K. Linville
Notary Public in and for the State of Oregon

Residing at Klamath Falls
My commission expires 2-9-03

LENDER ACKNOWLEDGMENT

STATE OF _____)
) SS
COUNTY OF _____)

On this _____ day of _____, 20 _____, before me, the undersigned Notary Public, personally appeared _____ and known to me to be the _____, 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 _____ Residing at _____
Notary Public in and for the State of _____ My commission expires _____

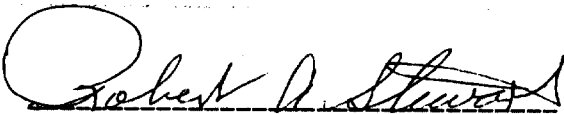
EXHIBIT "A"
LEGAL DESCRIPTION

PARCEL 1

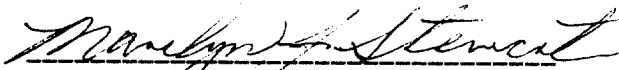
Parcel 2 of Land Partition 12-00 situated in Section 18, Township 38 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon.

EXCEPTING THEREFROM beginning at the Southwest corner of Parcel 1 "Land Partition 12-00" also being the center 1/4 corner of Section 18; thence South 87 degrees 53' 45" East along the South line of said Parcel 1, 810.00 feet to the Southeast corner of said Parcel 1; thence South 01 degrees 23' 04" West 53.78 feet; thence North 87 degrees 53' 45" West parallel to the said South line of Parcel 1, 810.15 feet; thence North 01 degrees 32' 23" East 53.78 feet to the point of beginning.

KLAMATH CASCADE GROUP, LLC



ROBERT A. STEWART, MEMBER OF KLAMATH CASCADE
GROUP, LLC



MARILYN STEWART, MEMBER OF KLAMATH CASCADE GROUP, LLC