

MT - 1396 - 7098

M05-67612

RECORDATION REQUESTED BY:

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

Klamath County, Oregon

10/27/2005 02:39:10 PM

Pages 2 Fee: \$36.00

WHEN RECORDED MAIL TO:

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

attn: Cindy

SEND TAX NOTICES TO:

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

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF DEED OF TRUST



THIS MODIFICATION OF DEED OF TRUST dated September 19, 2005, is made and executed between between Leo F McKoen, whose address is P O Box 195, Merrill, OR 97633-0195 ("Grantor") and South Valley Bank & Trust, whose address is 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 June 27, 2003 (the "Deed of Trust") which has been recorded in Klamath County, State of Oregon, as follows:

Line of Credit Instrument dated June 27, 2003, recorded June 30, 2003 in Volume M03, Page 44568-44604 in records of Klamath County, Oregon, Modified March 23, 2004, recorded May 11, 2004 in Volume M04, Page 28811-13 in records of Klamath County, Oregon, Modified April 14, 2005, recorded April 18, 2005 in Volume M05, Page 26885-86 in records of Klamath County, Oregon.

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 Merrill, OR 97633. The Real Property tax identification number is 4111-01600-01501-00

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

Increase amount to \$374,767.00.

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 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 SEPTEMBER 19, 2005.

GRANTOR:

x Leo F McKoen

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

LENDER:

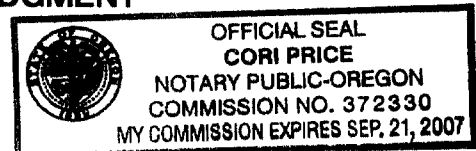
SOUTH VALLEY BANK & TRUST

x Cori Price
Authorized Officer

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Oregon
COUNTY OF Klamath

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On this day before me, the undersigned Notary Public, personally appeared **Leo F McKoen**, 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 29 day of Sept, 20 05.

By Cori Price Residing at Lakeview

Notary Public in and for the State of Oregon My commission expires _____

26.00 + 10.00



MODIFICATION OF DEED OF TRUST
(Continued)

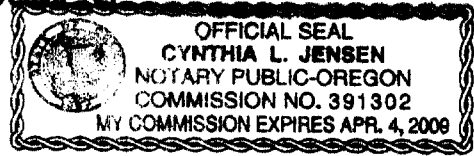
Page 2

LENDER ACKNOWLEDGMENT

STATE OF Oregon

COUNTY OF Klamath

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On this 29th day of September, 20 05, before me, the undersigned Notary Public, personally appeared Cori Price, 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
Notary Public in and for the State of Oregon

Residing at Klamath Falls
My commission expires 4/4/09