

RECORDATION REQUESTED BY:

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

M05-69996

Klamath County, Oregon

11/29/2005 03:10:43 PM

Pages 2 Fee: \$36.00

WHEN RECORDED MAIL TO:

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

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 July 29, 2005, is made and executed between between Lon E. Baley and Nancy Baley, Husband and Wife, as Joint Tenants to an undivided 1/2 interest, whose address is P O Box 531, Merrill, OR 97633 and Mark and Dawn Trotman, Husband and Wife as Joint Tenants to an undivided 1/2 interest, whose address is P O Box 823, Merrill, OR 97633 ("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 20, 2002 (the "Deed of Trust") which has been recorded in Klamath County, State of Oregon, as follows:

Deed of Trust dated June 20, 2002 and recorded August 26, 2002 in the official records of Klamath County in Book M02, Page 47987-93, Modified January 15, 2003 and recorded January 24, 2003 in the official records of Klamath County in Book M03, Page 04674-76, Modified March 11, 2005 and recorded April 6, 2005 in the official records of Klamath County in Book M05, Page 23487.

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

That portion of the S 1/2 SW 1/4 of Section 16, Township 41 South, Range 12 East of the Willamette Meridian, Klamath County, Oregon, as described as follows:

Beginning at the intersection of the Northeasterly line of the Great Northern Railroad right of way, 300 feet wide, as described in Deed recorded in Volume 96, Page 109, of Deed Records of Klamath County, Oregon, with the Northwesterly line of the Depot Road, 80 feet wide, as described in Deed recorded in Volume 96, Page 173, of Deed Records of said County; thence North 71 degrees 45' East along said Depot Road a distance of 263.29 feet to the true point of beginning of this description; thence North 165.23 feet; thence West 549.60 feet to the Northeasterly line of said Railroad right of way; thence following the boundary line of said Railroad right of way to its intersection with the North line of the South half of the Southwest Quarter of Section 16; thence East along the North line of Northeast corner to the Southeast quarter of the Southwest Quarter; thence South along the East line of said Southeast Quarter of the Southwest Quarter 277.90 feet, more or less, to its intersection with the Northwesterly line of the Depot Road; thence Southwesterly along the Northwesterly line of the Depot Road to the point of beginning.

Exception therefrom an additional portion conveyed to the Great Northern Railway by Deed recorded in Volume 105 of Deeds, Page 209, Records of Klamath County, Oregon.

The Real Property or its address is commonly known as 1459 Depot Road, Malin, OR 97632. The Real Property tax identification number is 4112-01600-02300-000

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

Extend maturity date to December 31, 2005.

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 JULY 29, 2005.

GRANTOR:

x Lon E Baley
Lon E Baley

x Nancy L Baley
Nancy L Baley

x Mark Trotman
Mark Trotman

x Dawn M Trotman
Dawn M Trotman

LENDER:

SOUTH VALLEY BANK & TRUST

x Corey Price
Authorized Officer

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.

2600
+1000



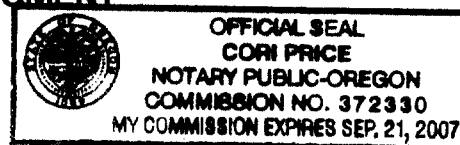
MODIFICATION OF DEED OF TRUST
(Continued)

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INDIVIDUAL ACKNOWLEDGMENT

STATE OF Oregon
COUNTY OF Lake

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On this day before me, the undersigned Notary Public, personally appeared **Lon E Baley; Nancy L Baley; Mark Trotman; and Dawn M Trotman**, to me known to be the individuals described in and who executed the Modification of Deed of Trust, and acknowledged that they signed the Modification as their free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 29 day of July, 20 05.

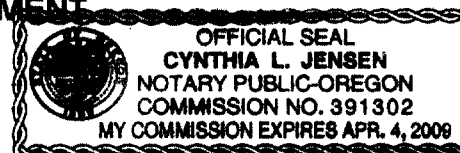
By Cory Price Residing at Lakeview

Notary Public in and for the State of Oregon My commission expires 9-21-07

LENDER ACKNOWLEDGMENT

STATE OF Oregon
COUNTY OF Klamath

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) SS
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On this 29th day of July, 20 05, before me, the undersigned Notary Public, personally appeared Cory Price 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 4/4/08