

RECORDATION REQUESTED BY: *mtc-1396-7704*
South Valley Bank & Trust
Commercial Branch
P O Box 5210
Klamath Falls, OR 97601

M06-11137

Klamath County, Oregon
06/01/2006 02:44:15 PM
Pages 3 Fee: \$71.00

WHEN RECORDED MAIL TO:
South Valley Bank & Trust
Commercial Branch
P O Box 5210
Klamath Falls, OR 97601
attn: Jensen

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 May 23, 2006, 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 April 13, 2000 (the "Deed of Trust") which has been recorded in Klamath County, State of Oregon, as follows:

Line of Credit Instrument dated April 13, 2000, recorded June 22, 2000 in Volume M00, Page 22773 in records of Klamath County, Oregon, Modified June 28, 2001 and recorded July 9, 2001 in volume M01, Page 33137 in records of Klamath County, Oregon, Modified January 30, 2002 and recorded February 5, 2002 in Volume M02, Page 6996-71 in records of Klamath County, Oregon, Modified April 30, 2002 and recorded May 15, 2002 in Volume M02, Page 29101 in records of Klamath County, Oregon, Modified December 2, 2002 and recorded December 31, 2002 in Volume M02, Page 76658-59 in records of Klamath County, Oregon, Modified March 27, 2003 and recorded May 9, 2003 in Volume M03, Page 31053-54 in records of Klamath County, Oregon, Modified April 14, 2005 and recorded April 20, 2005 in Volume M05, Page 27751, Modified April 14, 2005 and recorded April 20, 2005 in Volume M05, Page 27749-50, Modified September 19, 2005 and recorded October 27, 2005 in Volume M05, Page 67612.

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 4111-01600-01501-000.

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

Increase Line of Credit amount to \$1,041,671.00 and extend maturity date to March 1, 2007.

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 endorers 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 MAY 23, 2006.

GRANTOR:

x *Leo F. McKoen*
Leo F. McKoen

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.

31.00 + 40.00



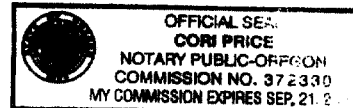
MODIFICATION OF DEED OF TRUST
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INDIVIDUAL ACKNOWLEDGMENT

STATE OF Oregon
COUNTY OF Klamath

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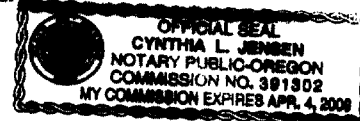
On this day before me, the undersigned Notary Public, personally appeared Leo F. McKoen, to me known to be the individual described in and who executed the Modification of Deed of Trust, and acknowledged that he or she signed the Modification as his or her free and voluntary act and deed, for the uses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

Given under my hand and official seal this 24 day of May, 2006.
By Leo F. McKoen 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 24th day of May, 2006, before me, the undersigned Notary Public, personally appeared Cori 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

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.
