

'01 JUL 9 AM 11:11

RECORDATION REQUESTED BY:

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

Vol M01 Page 33139

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

mtc  
1396-2924

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST dated June 19, 2001, is made and executed between The Pennbrook Company, whose address is 869 Wall Street Suite 204, Bend, OR 97701; an Oregon Corporation ("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 22, 1999 (the "Deed of Trust") which has been recorded in Klamath County, State of Oregon, as follows:

Recorded on January 20, 2000 in the office of the County Clerk, Klamath County, Oregon. Volume M00, Page 2068.

Modified on December 15, 2000, Recorded on December 19, 2000 in the office of the County Clerk, Klamath County, Oregon. Volume M00, Page 45618.

Modified on March 21, 2001 in the office of the County Clerk, Klamath County, Oregon. Volume M01, Page 16248.

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

Parcel 1: Lots 297, 298, 315, 316, and 317, RUNNING Y RESORT, PHASE 4, 1ST ADDITION, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

Parcel 2: Lots 348, 349, and 350, RUNNING Y RESORT, PHASE 4, 2ND ADDITION, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

The Real Property or its address is commonly known as Running Y Resort Phase Four (4), Klamath Falls, OR 97601.

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

Extend the Maturity Date to July 15, 2001.

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 JUNE 19, 2001.

GRANTOR:

THE PENNBROOK COMPANY

By: [Signature]  
Donald N Bauhofer, President of The Pennbrook Company

LENDER:

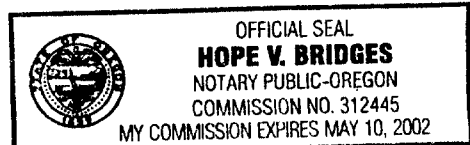
X [Signature]  
Authorized Officer

CORPORATE ACKNOWLEDGMENT

STATE OF Oregon

COUNTY OF Deschutes

)  
) SS  
)



On this 22 day of June, 2001, before me, the undersigned Notary Public, personally appeared Donald N Bauhofer, President of The Pennbrook Company, and known to me to be an authorized agent of the corporation that executed the Modification of Deed of Trust and acknowledged the Modification to be the free and voluntary act and deed of the corporation, by authority of its Bylaws or by resolution of its board of directors, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this Modification and in fact executed the Modification on behalf of the corporation.

By Hope V. Bridges  
Notary Public in and for the State of Oregon

Residing at Bend  
My commission expires May 10, 2002

58, 4

LENDER ACKNOWLEDGMENT

STATE OF Oregon

)

) SS

COUNTY OF Klamath

)



On this July 4<sup>th</sup> day of July, 20 01, before me, the undersigned Notary Public, personally appeared Stephen Van Buren and known to me to be the Lending 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 Tammy L. Strop  
Notary Public in and for the State of Oregon

Residing at 803 Main St. Klamath Falls, OR 97603  
My commission expires April 14, 2002

[LASER PRO Lending, Ver. 5.18.00.08 (c) Concentrix Incorporated 1997, 2001. All Rights Reserved. - OR F:\LPWINCFNLPLG202 FC TR-2188 PR-STDEN12]

State of Oregon, County of Klamath  
Recorded 07/09/01 at 11:11 a m.  
In Vol. M01 Page 33139  
Linda Smith,  
County Clerk Fee \$ 26<sup>00</sup>

AM 801-10 11:23:20