

MTC - 61477

Vol M04 Page 57478**RECORDATION REQUESTED BY:**

PremierWest Bank
 Central Point Branch
 300 East Pine Street
 Central Point, OR 97502

WHEN RECORDED MAIL TO:

PremierWest Bank
 ATTN: Loan Assistant/Central Point Branch
 300 Pine Street
 Central Point, OR 97502

State of Oregon, County of Klamath
 Recorded 08/30/04 3:28 P m
 Vol M04 Pg 57478-00
 Linda Smith, County Clerk
 Fee \$ 31 # of Pgs 3

SEND TAX NOTICES TO:

Jeffrey D. Hoyal and Dennis L. Simpson
 3976 Bellinger Lane
 Medford, OR 97501

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST dated August 20, 2004, is made and executed between Jeffrey D. Hoyal and Dennis L. Simpson, an Oregon General Partnership comprised of Jeffrey D. Hoyal and Dennis L. Simpson; an estate or interest in fee simple ("Grantor") and PremierWest Bank, Central Point Branch, 300 East Pine Street, Central Point, OR 97502 ("Lender").

DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated July 18, 2003 (the "Deed of Trust") which has been recorded in Klamath County, State of Oregon, as follows:

Deed of Trust recorded on July 23, 2003 in the official records of Klamath County Recorder as document number 52077-84 in the amount of \$1,000,000.00.

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 2505 & 3223 Swan Lake Road, Klamath Falls, OR 97623. The Real Property tax identification number is 3810-0000-02800-000, 3810-0000-02600-000, M-99-221, M-104403

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

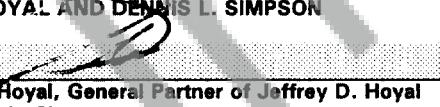
It is hereby agreed to extend the maturity date to read August 20, 2005.

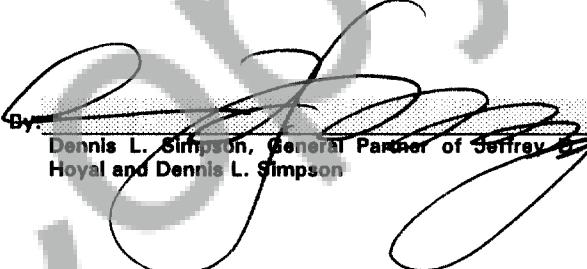
CONTINUING VALIDITY. Except as expressly modified above, the terms of the original Deed of Trust shall remain unchanged and in full force and effect. Consent by Lender to this Modification does not waive Lender's right to require strict performance of the Deed of Trust as changed above nor obligate Lender 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 AUGUST 20, 2004.

GRANTOR:

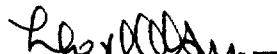
JEFFREY D. HOYAL AND DENNIS L. SIMPSON

By: 
 Jeffrey D. Hoyal, General Partner of Jeffrey D. Hoyal
 and Dennis L. Simpson

By: 
 Dennis L. Simpson, General Partner of Jeffrey D. Hoyal and Dennis L. Simpson

LENDER:

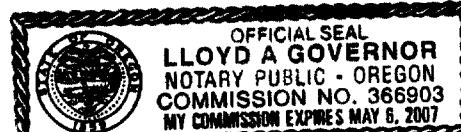
PREMIERWEST BANK

x 
 Authorized Officer

PARTNERSHIP ACKNOWLEDGMENT

STATE OF Ore

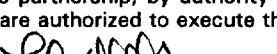
)
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) SS



COUNTY OF Jackson

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On this 20 day of Aug, 2004, before me, the undersigned Notary Public, personally appeared Jeffrey D. Hoyal; Dennis L. Simpson of Jeffrey D. Hoyal and Dennis L. Simpson, and known to me to be partners or designated agents of the partnership that executed the Modification of Deed of Trust and acknowledged the Modification to be the free and voluntary act and deed of the partnership, by authority of statute or its Partnership 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 partnership.

By: 

Residing at 300 E. Pine St Central Point OR

Notary Public in and for the State of Ore

My commission expires 5-6-07

3/0
am

LENDER ACKNOWLEDGMENT

STATE OF Oregon
COUNTY OF JacksonI
I SS
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On this 20th day of August, 2004, before me, the undersigned Notary Public, personally appeared Loyd A. Governor, and known to me to be the Vice President, 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 Vickie Stevenson
Notary Public in and for the State of Oregon

Residing at Medford
My commission expires 03/19/2007

Unofficial
copy

EXHIBIT "A"
LEGAL DESCRIPTION

PARCEL 1:

The S1/2 of Section 10, Township 38 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 2:

The N1/2, SE1/4 and that portion of the SW1/4 lying Northerly and Easterly of the Swan Lake Road Section 15, Township 38 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 3:

All that portion of the N1/2 of Section 22 lying Northerly and Easterly of the Swan Lake Road, Township 38 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 4:

The SW1/4 of Section 11, Township 38 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 5:

The W1/2 of Section 14, Township 38 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 6:

All that portion of the NW1/4 of Section 23, Township 38 South, Range 10 East, Willamette Meridian, Klamath County, Oregon, being more particularly described as follows:

Beginning at the section corner at the Northwesterly corner of the said Section 23, which marks the Northwesterly corner of the said NW1/4 of the said Section 23; thence South 0 degrees 35' West along the Section line marking the Westerly boundary of the said NW1/4 of the said Section 23, 2231.6 feet more or less, to a point in the centerline of the County Road; thence South 58 degrees 44 1/2' East, along the said center line 603.1 feet; thence along the arc of a 12 degrees 00' circular curve to the left to a point which bears South 74 degrees 17' East 256.4 feet distance; thence South 89 degrees 50' East 1974.8 feet, more or less, to a point in the North and South center line of the said Section 23, which marks the Easterly boundary of the said NW1/4 of the said Section 23; thence North 0 degrees 37' East, along the said North and South centerline of the said Section 23, 2643.3 feet to the North quarter corner of the Section 23, which marks the Northeasterly corner of the said NW1/4 of the said Section 23;

thence South 89 degrees 29' West, along the Section line marking the Northerly boundary of the said NW1/4 of the said Section 23, 2642.8 feet, more or less, to the said Section corner at the Northwesterly corner of the said Section 23, the point of beginning.

EXCEPTING THEREFROM any portion thereof lying within the boundaries of Swan Lake Road.