

RECORDATION REQUESTED BY:

PremierWest Bank
Klamath Falls Branch
421 South 7th Street
P. O. Box 5016
Klamath Falls, OR 97601

M05-63567

Klamath County, Oregon

09/06/2005 11:50:50 AM

Pages 2 Fee: \$26.00

WHEN RECORDED MAIL TO:

PremierWest Bank
Klamath Falls Branch
421 South 7th Street
Klamath Falls, OR 97601

SEND TAX NOTICES TO:

Loren C. Walch
Melinda Cauvin
4745 Fern Valley Road
Medford, OR 97504

1st 613274
SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST dated September 1, 2005, is made and executed between between Loren C. Walch and Melinda Cauvin not as tenants in common, but with rights of survivorship ("Grantor") and PremierWest Bank, whose address is Klamath Falls Branch, 421 South 7th Street, P. O. Box 5016, Klamath Falls, OR 97601 ("Lender").

DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated June 29, 2005 (the "Deed of Trust") which has been recorded in Klamath County, State of Oregon, as follows:

Original Deed of Trust dated June 29, 2005, recorded June 30, 2005, in the Official Records of the Klamath County Clerk, in Volume M05, Pages 50310 to 50326, given to secure a Note in the principal amount of \$150,000.00.

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

Parcel Two of Land Partition 30-20, situate in Sections 5, 6, 8, 16 and 17 Township 36 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon.

The Real Property or its address is commonly known as 2700 Toqua Road and 26800 Modoc Point Road, Chiloquin, OR 97624. The Real Property tax identification number is R321155, R322029, R322234.

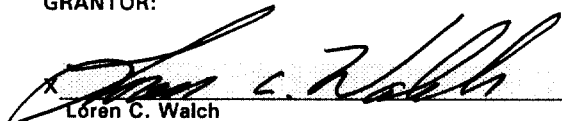
MODIFICATION. Lender and Grantor hereby modify the Deed of Trust as follows:

It is hereby agreed the Note now evidences a revolving line of credit.

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 1, 2005.

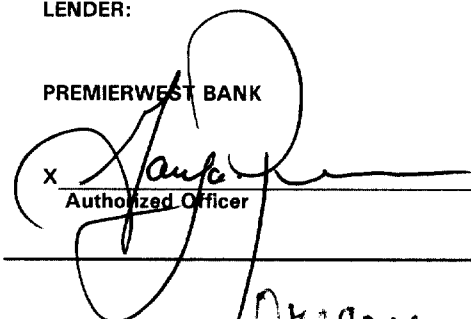
GRANTOR:


Loren C. Walch


Melinda Cauvin

LENDER:

PREMIERWEST BANK


Authorized Officer

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Oregon

COUNTY OF Klamath



On this day before me, the undersigned Notary Public, personally appeared Loren C. Walch and Melinda Cauvin, 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 2nd day of September, 2005
By Melinda Rarick Residing at Klamath Falls
Notary Public in and for the State of Oregon My commission expires 4-13-2008

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MODIFICATION OF DEED OF TRUST
(Continued)

Loan No: 593069606

LENDER ACKNOWLEDGMENT

STATE OF Oregon
COUNTY OF Klamath

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On this 2nd day of September, 20 05, before me, the undersigned Notary Public, personally appeared Patty Purdie 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 Michelle Rarick
Notary Public in and for the State of Oregon

Residing at Klamath Falls
My commission expires 4-13-08