

MTCT2173

RECORDATION REQUESTED BY:

PremierWest Bank
Southern Oregon Loan Production Office
P O Box 40
503 Airport Road
Medford, OR 97501

2007-002147

Klamath County, Oregon



00014616200700021470020024

02/07/2007 11:26:17 AM

Fee: \$26.00

WHEN RECORDED MAIL TO:

PremierWest Bank
ATTN:Loan Assistant
P O Box 40
Medford, OR 97501

SEND TAX NOTICES TO:

The Pennbrook Company
250 NW Franklin Avenue, Suite 204
Bend, OR 97701

583073400

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST dated January 25, 2007, is made and executed between The Pennbrook Company, an Oregon corporation ("Grantor") and PremierWest Bank, whose address is Southern Oregon Loan Production Office, P O Box 40, 503 Airport Road, Medford, OR 97501 ("Lender").

DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated October 25, 2005 (the "Deed of Trust") which has been recorded in Klamath County, State of Oregon, as follows:

Original Deed of Trust in the principal amount of \$489,108.00 recorded as Document No. M05-67869 on October 31, 2005 in the Official Records of Klamath County, State of Oregon.

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

Lot 1274, Tract 1443, a replat of Lots 595-602, 604-605, Falcon Drive and Red Tail Drive of Tract 1340, RUNNING Y RESORT PHASE 7, 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 Lot 1274 Red Tail Drive, Klamath Falls, OR 97601. The Real Property tax identification number is 3808-0009DD-02800-000.

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

It is hereby agreed to extend the maturity date from January 25, 2007 to July 25, 2007. A Partial Reconveyance was completed on January 12, 2007 releasing Lot 1273.

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 JANUARY 25, 2007.

GRANTOR:

THE PENNBROOK COMPANY

By: 
Donald N. Bauhofer, President of The Pennbrook Company

LENDER:

PREMIERWEST BANK

X 
Authorized Officer

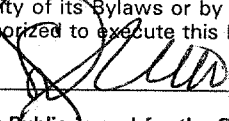
CORPORATE ACKNOWLEDGMENT

STATE OF OREGON
COUNTY OF DESCHUTES

)
) SS
)



On this 26th day of JANUARY, 20 07, 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 
Notary Public in and for the State of OREGON

Residing at OREGON
My commission expires 10-10-09

2600

MODIFICATION OF DEED OF TRUST
(Continued)

Loan No: 583073400

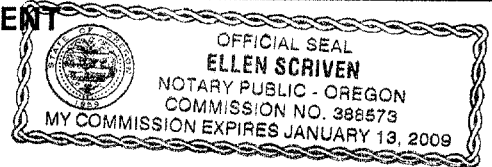
Page 2

LENDER ACKNOWLEDGMENT

STATE OF Oregon

COUNTY OF Jackson

)
) SS
)



On this 31st day of January, 20 07, before me, the undersigned Notary Public, personally appeared Libby Fridinger and known to me to be the commercial 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 [Signature]

Notary Public in and for the State of _____

Residing at medford

My commission expires 01/13/09