

4707287
RECORDATION REQUESTED BY:
PremierWest Bank
Southern Oregon Loan Production Office
P O Box 40
503 Airport Road
Medford, OR 97501

2007-020517
Klamath County, Oregon



12/06/2007 03:32:24 PM

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

583073509

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST dated November 30, 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:

Deed of Trust recorded in the Klamath County Oregon Clerk's Office on October 31, 2005 as Document Number M05-67879 in the amount of \$709,532.00; followed by a Modification of Deed of Trust dated January 25, 2007 in the amount of \$709,532.00; followed by a Modification of Deed of Trust dated August 2, 2007 in the amount of \$473,021.00.

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

Lots 1291 and 1292, 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 Lots 1291 and 1292 Martingale Drive, Klamath Falls, OR 97601. The Real Property tax identification number is 3808-009DD-01000-000 and 3809-009DD-00900-000.

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

It is hereby agreed to extend the maturity date from October 25, 2007 to January 25, 2008.

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.

PARTIAL RELEASE PROVISION. Lender shall execute a partial release of the lien on the Deed of Trust securing this loan upon the following conditions: Partial release for 1291 and 1292 Martingale Drive, Klamath Falls, OR 97601, shall be granted by Lender upon receipt of a principal reduction in the amount of \$224,685.00. Borrower agrees that accrued interest due under the terms of the Promissory Note will be paid current at the time such release is requested by Borrower, and, provided that the Borrower has not breached or otherwise defaulted under the terms of the loan.

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 NOVEMBER 30, 2007.

GRANTOR:

THE PENNBROOK COMPANY

By:

Donald N. Bauhofer, President of The Pennbrook Company

By:

Holly B. Polls, Secretary of The Pennbrook Company

LENDER:

PREMIERWEST BANK

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Authorized Officer

26 HMT

MODIFICATION OF DEED OF TRUST
(Continued)

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CORPORATE ACKNOWLEDGMENT

STATE OF Oregon
COUNTY OF Deschutes

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On this 30th day of November, 2007, 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 Laura L. Lynn
Notary Public in and for the State of Oregon

Residing at Bend
My commission expires Sept 23, 2010

CORPORATE ACKNOWLEDGMENT

STATE OF Oregon
COUNTY OF Deschutes

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On this 30th day of November, 2007, before me, the undersigned Notary Public, personally appeared **Holly B. Polis, Secretary 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.

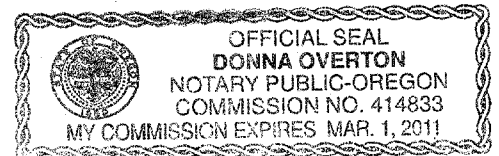
By Laura L. Lynn
Notary Public in and for the State of Oregon

Residing at Bend
My commission expires Sept 23, 2010

LENDER ACKNOWLEDGMENT

STATE OF Oregon
COUNTY OF Deschutes

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On this 30th day of November, 2007, before me, the undersigned Notary Public, personally appeared Robert Dyer and known to me to be the Vice President, authorized agent for **PremierWest Bank** that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of **PremierWest Bank**, duly authorized by **PremierWest Bank** 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 in fact executed this said instrument on behalf of **PremierWest Bank**.

By Donna Overton
Notary Public in and for the State of Oregon

Residing at Redmond
My commission expires 3-1-2011