

MTC 1396-10308

2010-014692  
Klamath County, Oregon

**RECORDATION REQUESTED BY:**

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



12/29/2010 03:35:50 PM

Fee: \$47.00

**WHEN RECORDED MAIL TO:**

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

**SEND TAX NOTICES TO:**

Owen N. Matthews  
Debra G. Matthews  
29595 DeMerritt Road  
Malin, OR 97632

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

**MODIFICATION OF DEED OF TRUST**

**THIS MODIFICATION OF DEED OF TRUST** dated December 3, 2010, is made and executed between Owen N. Matthews and Debra G. Matthews, husband and wife ("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 March 13, 2009 (the "Deed of Trust") which has been recorded in Klamath County, State of Oregon, as follows:

Deed of Trust in the amount of \$1,324,436.00 recorded on March 25, 2009 as Document No. 2009-004239 in the official records of the Klamath County Clerk; modified by a Modification of Deed of Trust dated May 4, 2010.

**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 29595 DeMerritt Road, Malin, OR 97632. The Real Property tax identification number is R-4112-00800-01800-000, Key No. R109091.

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

It is hereby agreed to extend the maturity date from September 30, 2010 to December 30, 2010.

**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.

**EXPRESS ACKNOWLEDGEMENT OF CROSS-COLLATERALIZATION.** The Agreement Parties expressly and irrevocably, and jointly and severally, acknowledge, affirm, and agree that all of the Real Property and Personal Property Collateral, and any other additional Collateral taken by Lender pursuant to or in connection with the transactions contemplated by this Agreement and/or this Exhibit A (collectively, Lender's "Collateral") secures all obligations, debts and liabilities of every kind and nature, including, by way of illustration and not limitation, all overdraft indebtedness, plus interest thereon, that any one or more of the Agreement Parties may owe to Lender, including, but not limited to, each of the Loans the Agreement Parties owe to Lender. This Section represents an unequivocal and irrevocable joint and several acknowledgement and agreement by the Agreement Parties that all of the Collateral secures payment and performance of all of the payment and performance obligations each of the Agreement Parties owes to Lender whether under this Agreement, the Related Documents, or otherwise, and that the Provisions of this Section are supplemental to and are expressly intended to reaffirm any "cross-collateralization" provisions contained in the Agreement, this Exhibit A, and the Related Documents.

**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 DECEMBER 3, 2010.**

**GRANTOR:**

x   
Owen N. Matthews

x   
Debra G. Matthews

**LENDER:**

**PREMIERWEST BANK**

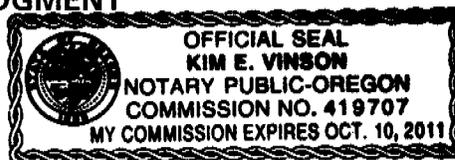
x   
Charity Salvador  
Authorized Officer

AMERITITLE, has recorded this instrument by request as an accommodation only, and has not examined it for regularity and sufficiency or as to its effect upon the title to any real property that may be described therein.

47 AM

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Oregon )  
 )  
COUNTY OF Klamath ) SS  
 )

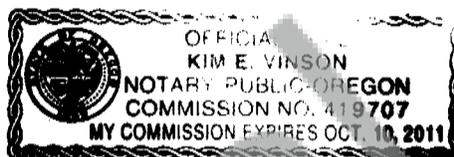


On this day before me, the undersigned Notary Public, personally appeared Owen N. Matthews, to me known to be the individual described in and who executed the Modification of Deed of Trust, and acknowledged that he or she signed the Modification as his or her free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 7 day of Dec., 20 10.  
By Kim E. Vinson Residing at Klamath Falls  
Notary Public in and for the State of Oregon My commission expires Oct. 10, 2011

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Oregon )  
 )  
COUNTY OF Klamath ) SS  
 )

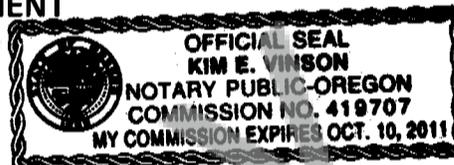


On this day before me, the undersigned Notary Public, personally appeared Debra G. Matthews, to me known to be the individual described in and who executed the Modification of Deed of Trust, and acknowledged that he or she signed the Modification as his or her free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 7 day of Dec., 20 10.  
By Kim E. Vinson Residing at Klamath Falls  
Notary Public in and for the State of Oregon My commission expires Oct. 10, 2011

LENDER ACKNOWLEDGMENT

STATE OF Oreaga )  
 )  
COUNTY OF Klamath ) SS  
 )



On this 7 day of Dec., 20 10, before me, the undersigned Notary Public, personally appeared Charity Salcedo and known to me to be the manager, 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 Kim E. Vinson Residing at Klamath Falls  
Notary Public in and for the State of Oreaga My commission expires Oct. 10, 2011

# EXHIBIT A TO DEED OF TRUST

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$596,056.75	12-03-2010	12-30-2010	593107133	313 / 008	139174	7512	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "\*\*\*\*" has been omitted due to text length limitations.

**Borrower:** Owen Nathan Matthews  
Debra G. Matthews  
29595 DeMerritt Road  
Malin, OR 97632

**Lender:** PremierWest Bank  
Klamath Falls Branch  
421 South 7th Street  
P. O. Box 5016  
Klamath Falls, OR 97601  
(541) 883-4980

**EXHIBIT A to Agricultural Security Agreement and Effective as of December 3, 2010, By and From Owen N. Matthews and Debra G. Matthews (together the "Grantor" or the "Borrower"), To and In Favor of PremierWest Bank (the "Lender") (the "Agreement")**

This Exhibit A supplements the terms and conditions set forth in the Agreement but does not otherwise supersede or replace the Agreement (or any of the terms and conditions set forth therein) or supersede or replace any of the terms and conditions set forth in any of the Related Documents (as that term is defined in the Agreement) arising out of or relating in any way to the Agreement.

**Additional Definitions.** The following capitalized words and terms shall have the following meanings when used in the Agreement. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in the Agreement or this Exhibit A shall have the meanings attributed to such terms in the Uniform Commercial Code as adopted under the laws of the State of Oregon.

**Indebtedness.** The word "Indebtedness" any and all of Borrower's Indebtedness to Lender and is used in the most comprehensive sense and means and includes any and all of Borrower's liabilities, obligations and debts to Lender (whether under the Note or otherwise), now existing or hereafter incurred or created, including, without limitation, all loans, advances, interest, costs, debts, overdraft indebtedness, and other obligations and liabilities of Borrower, or either of them, to Lender. WITHOUT LIMITING ANY OF THE FOREGOING, Borrower, and each of them, expressly and irrevocably acknowledge and agree that the word "Indebtedness" also includes any and all liabilities, obligations and debts of every kind and nature owed by (a) Klamath's Best Marketing, Fresh Cut Potato Division, LLC and (b) Tulelake Potato Distributors, Inc., to Lender, whether now existing or hereafter incurred or created, including, without limitation, all loans, advances, interest, costs, debts, overdraft indebtedness, and other obligations and liabilities, to Lender, including, by way of illustration and not limitation, all amounts arising under or out of

(a) that certain promissory note executed by Klamath's Best Marketing, Fresh Cut Potato Division, LLC in favor of Lender in the original principal amount of \$890,000.00, dated February 26, 2007;

(b) that certain promissory note executed by Tulelake Potato Distributors, Inc., in favor of Lender in the original principal amount of \$1,500,000.00; AND

(c) that certain promissory note executed by Tulelake Potato Distributors, Inc., in favor of Lender in the original principal amount of \$300,000.00, dated February 26, 2007;

together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for said promissory note or credit agreement.

**Note.** The word "Note" means, collectively,

(a) that certain promissory note executed by Borrower in favor of Lender in the original principal amount of \$604,000.00, dated February 26, 2007, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for said promissory note or credit agreement;

(b) that certain promissory note executed by Borrower in favor of Lender in the original principal amount of \$242,000.00, dated April 25, 2008, from Borrower to Lender, together with all renewals, extensions, amendments, modifications, refinancings, consolidations, and substitutions thereof executed by the Borrower and the Lender from time to time;

(c) that certain promissory note executed by Borrower in favor of Lender in the original principal amount of \$1,324,436.00, dated March 13, 2009, from Borrower to Lender, together with all renewals, extensions, amendments, modifications, refinancings, consolidations, and substitutions thereof executed by the Borrower and the Lender from time to time; AND

(d) that certain promissory note executed by Borrower in favor of Lender in the original principal amount of \$676,460.00, dated June 23, 2010, from Borrower to Lender, together with all renewals, extensions, amendments, modifications, refinancings, consolidations, and substitutions thereof executed by the Borrower and the Lender from time to time.