

RECORDATION REQUESTED BY:

Sterling Savings Bank
Klamath Falls Business Banking
540 Main St
Klamath Falls, OR 97601

State of Oregon, County of Klamath
Recorded 07/13/05 3:24 p m
Vol M05 Pg 53766-67
Linda Smith, County Clerk
Fee \$ 26.00 # of Pgs 2

WHEN RECORDED MAIL TO:

Sterling Savings Bank
Loan Support
PO Box 2224
Spokane, WA 99210

'05 JUL 13 PM 3:24

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF DEED OF TRUST

oc/ THIS MODIFICATION OF DEED OF TRUST dated July 7, 2005, is made and executed between between GARY SMELTZER JR and CATHERINE L SMELTZER, AS TENANTS BY THE ENTIRETY ("Grantor") and Sterling Savings Bank, whose address is Klamath Falls Business Banking, 540 Main St, Klamath Falls, OR 97601 ("Lender").

DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated October 13, 2004 (the "Deed of Trust") which has been recorded in KLAMATH County, State of Oregon, as follows:

RECORDED OCTOBER 18, 2004 UNDER KLAMATH COUNTY AUDITOR'S FILE #VOL M04 PAGE 70582.

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

LOT 2 IN BLOCK 9 OF TRACT 1152, NORTH HILLS, 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 183 CRESTDALE WAY, KLAMATH FALLS, OR 97603. The Real Property tax identification number is 3809-035AA-03200-000.

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

TERMS OF THE NOTE ARE HEREBY AMENDED AS FOLLOWS: NOTE DATED JULY 7, 2005 IN THE PRINCIPLE AMOUNT OF \$50,382.92.

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 JULY 7, 2005.

This Notice is required by Oregon law. In this Notice the term "you" means the Grantor named above.

NOTICE TO THE GRANTOR: Do not sign this loan agreement before you read it. This loan agreement provides for the payment of a penalty if you wish to repay the loan prior to the date provided for repayment in the loan agreement.

GRANTOR:

x Gary Smeltzer Jr
GARY SMELTZER JR

x Catherine L Smeltzer
CATHERINE L SMELTZER

LENDER:

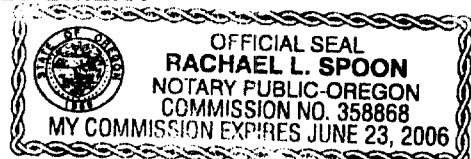
STERLING SAVINGS BANK

x Linda Mieloszyk
Authorized Officer

INDIVIDUAL ACKNOWLEDGMENT

STATE OF OregonCOUNTY OF Klamath

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On this day before me, the undersigned Notary Public, personally appeared GARY SMELTZER JR and CATHERINE L SMELTZER, 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 7th day of July, 2005.

By Rachael L. Spoon Residing at 540 Main St

Notary Public in and for the State of Oregon My commission expires 6 23 06

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LENDER ACKNOWLEDGMENT

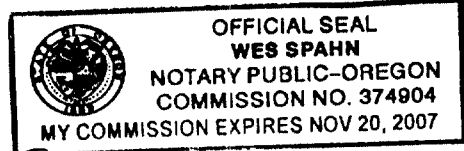
STATE OF OREGON

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COUNTY OF KLAMATH

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On this 13TH day of JULY, 20 05, before me, the undersigned Notary Public, personally appeared JIM MIELOSZYK and known to me to be the BRANCH

MANAGER, 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]

Residing at KLAMATH FALLS

Notary Public in and for the State of OREGON

My commission expires 11/20/07

Unofficial Copy