

RECORDATION REQUESTED BY:

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

M06-07166

Klamath County, Oregon

04/12/2006 03:24:20 PM

Pages 3 Fee: \$31.00

WHEN RECORDED MAIL TO:

Sterling Savings Bank
Loan Support
PO Box 2131
Spokane, WA 99210

SEND TAX NOTICES TO:

DANNY R ALLEN
CYNTHIA L ALLEN
2958 HOPE ST
KLAMATH FALLS, OR 97603

1st 796458

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST dated April 6, 2006, is made and executed between between DANNY R ALLEN and CYNTHIA L ALLEN, 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 February 13, 2006 (the "Deed of Trust") which has been recorded in KLAMATH County, State of Oregon, as follows:

RECORDED FEBRUARY 14, 2006 UNDER KLAMATH COUNTY AUDITOR'S FILE #M06-02879.

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

See the exhibit or other description document 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 5113 S 6TH ST, KLAMATH FALLS, OR 97603. The Real Property tax identification number is R513386 & R873751.

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

TERMS OF THE NOTE ARE HEREBY AMENDED AS FOLLOWS: NOTE DATED APRIL 6, 2006 IN THE PRINCIPAL AMOUNT OF \$100,000.00.

LINE OF CREDIT DEED OF TRUST IS HEREBY AMENDED AS FOLLOWS: THE MAXIMUM PRINCIPAL AMOUNT TO BE ADVANCED PURSUANT TO THE NOTE IS \$100,000.00.

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 APRIL 6, 2006.

GRANTOR:

x Danny R. Allen
DANNY R ALLEN

x Cynthia L. Allen
CYNTHIA L ALLEN

LENDER:

STERLING SAVINGS BANK

x [Signature]
Authorized Officer

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Oregon

COUNTY OF Klamath

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) SS
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On this day before me, the undersigned Notary Public, personally appeared DANNY R ALLEN, 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 11 day of April, 2006.

By [Signature]

Residing at Klamath

Notary Public in and for the State of Oregon

My commission expires 11/7/09

2006 31F

INDIVIDUAL ACKNOWLEDGMENT

STATE OF OregonCOUNTY OF Klamath)
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On this day before me, the undersigned Notary Public, personally appeared CYNTHIA L ALLEN, 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 11 day of April, 20 06.By [Signature]Residing at KlamathNotary Public in and for the State of OregonMy commission expires 11/7/09

LENDER ACKNOWLEDGMENT

STATE OF OregonCOUNTY OF Klamath)
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On this 12 day of April, 20 06, before me, the undersigned Notary Public, personally appeared Bethanne Halversen and known to me to be the Business Banking 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]Residing at KlamathNotary Public in and for the State of OregonMy commission expires 11/7/09

Exhibit "A"

Real property in the County of Klamath, State of Oregon, described as follows:

Parcel 1: Beginning at a point on the Northerly right of way line of the Dalles-California Highway, which lies North 0°55' West a distance of 30 feet and North 89° 21' East 329.7 feet from an iron pin in the pavement marking the center of Section 2, Township 39 South, Range 9 East of the Willamette Meridian, in Klamath County, Oregon; thence North 89°21' East along the Northerly line of the highway 72.9 feet; thence North 0° 59' West a distance of 189.4 feet; thence South 89°21' West 72.9 feet; thence South 0°59' East a distance of 189.4 feet to the point of beginning and situate in the SW 1/4 of the NE 1/4 of Section 2, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon

SAVING AND EXCEPTING THEREFROM that portion in deed from Charles H. DuFour and Thora DuFour, husband and wife to the State Highway Commission, dated June 1964, recorded June 23, 1964 in Book 354 at page 66, deed records of Klamath County, Oregon

Parcel 2: Beginning at a point on the Northerly right of way line of the Dalles-California Highway, which lies North 0°55' West a distance of 30 feet and North 89°31' East 256.6 feet from an iron pin in the pavement marking the center of Section 2, Township 39 South, Range 9 East of the Willamette Meridian, in Klamath County, Oregon, which said point is the Southeast corner of a tract of land hereto conveyed to Wade E. Pitcher and wife, by deed recorded in Book 117 at page 440, deed records of Klamath County, Oregon; thence North 2°53' West along the Easterly line of the Pitcher Tract 190 feet, more or less, to the Northeast corner of said Pitcher Tract; thence North 89°21' East 82.9 feet; thence South 0°59' East a distance of 189.4 feet, more or less, to the Northerly right of way line of the Dalles-California Highway; thence South 89°21' West along the Northerly right of way line of the highway 73.1 feet to the point of beginning, and situate in the SW 1/4 of NE 1/4, Section 2, Township 39 South, Range 9 East of the Willamette Meridian in Klamath County, Oregon.

SAVING AND EXCEPTING THEREFROM that portion in deed from Charles H. DuFour and Thora DuFour, husband and wife to the State Highway Commission, dated June 1964, recorded June 23, 1964 in Book 354, at page 66, Deed Records of Klamath County, Oregon.

Parcel 3: The Southerly 125 feet of Lots 98 and 99 of Pleasant Home Tracts, No. 2, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

Tax Parcel Number: R513386 and R873751