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Klamath County, Oregon

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Pages 3 Fee: \$31.00

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WHEN RECORDED RETURN TO:

SOFCU Community Credit Union
3737 Shasta Way
Klamath Falls, OR 97603

MODIFICATION AGREEMENT

Grantor(s): DOUGLAS GENE BABCOCK AND CARMEN BABCOCK

Grantee: SOFCU Community Credit Union

Legal Description:

For complete legal description, see attached Exhibit A.

Assessor's Property Tax Parcel or Account No.: KEY NO. 475747

On or about May 19, 2005, Grantor(s) executed and delivered to SOFCU Community Credit Union, as Beneficiary, a Deed of Trust encumbering the real property described above.

This Deed of Trust was recorded on May 24, 2005, in the records of Klamath County, Document number Vol. M05 Page 37781-95. The Deed of Trust secures a promissory note or loan agreement ("Loan Agreement") in the original amount of \$45,000.00. The current principal balance owing on the Loan Agreement is \$39,283.41.

MODIFICATION. Grantor(s) and Lender hereby modify the Loan Agreement and Deed of Trust as follows:

- Principal Balance Increase.** The principal amount is increased to \$_____.
- Interest Rate.** The interest rate is changed to:
 - a fixed interest rate of _____ %.
 - a variable interest rate of _____ %. The rate may change based on changes in the following index: Prime Rate. The interest rate on the loan is determined by adding a margin of _____ points to the index. The rate may change monthly, based on the index, the highest Prime Rate correctly published in the Wall Street Journal, Western Edition, on the last business day of the month prior to change. The rate will not be less than _____ % nor more than _____ %.
- Payment Schedule.** The new payment schedule is _____

- Extension.** The maturity date is changed to June 1, 2015.
- Assumption.** The following person(s) or entity(s), referred to below as the "Assuming Party," has assumed and is now liable for the indebtedness and obligations of Trustor under the Deed of Trust.

Name: _____
Address: _____

- Other.** _____

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.

CONTINUING VALIDITY. Except as previously modified above, the terms of the original Deed of Trust and Loan

31.00

Agreement 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 and the Loan Agreement as changed above nor obligate Lender to make any future modifications. Nothing in this Modification shall constitute a satisfaction of the Loan Agreement. 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 Loan Agreement, 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.

DATED this 5th of May, 2006.

EACH GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MODIFICATION AGREEMENT AND GRANTOR AGREES TO ITS TERMS.

GRANTORS:

Douglas Gene Babcock
DOUGLAS GENE BABCOCK

Carmen Babcock
CARMEN BABCOCK

STATE OF OREGON)

) ss.

County of Klamath)

On this 9th day of May, 2006, before me, a Notary Public in and for said state, personally appeared DOUGLAS GENE BABCOCK AND CARMEN BABCOCK, known to me to be the person who executed the Modification Agreement and acknowledged to me that THEY executed the same for the purposes therein stated.

Sandra Handsaker
Notary Public for Oregon
My Commission Expires: 7-19-2009



EXHIBIT "A"

Legal Description

The Southeasterly 60 feet of Lot 8, Block 6, Original Town of Klamath Falls, in the County of Klamath, State of Oregon, being further described as follows:

Beginning on the Westerly line of Third Street at the most Easterly corner of said Lot 8; thence Northwesterly along the said line of Third Street 60 feet; thence Southwesterly and at right angles to Third Street 66.25 feet, more or less to the Westerly line of said Lot 8; thence Southeasterly along said line 60 feet to the most Southerly corner of said Lot 8; thence Easterly along the Southeasterly line of said Lot 66.25 feet to the place of beginning, the dimensions being according to the supplemental plat of Linkville, now City of Klamath Falls, Oregon.

Tax Account No: 3809-032AC-07400-000

Key No: 475747

Unnoted Copy