

RECORDATION REQUESTED BY:

Sterling Savings Bank  
Klamath Falls - Shasta  
2943 S Sixth St  
Klamath Falls, OR 97603

M06-12696

Klamath County, Oregon

06/21/2006 10:33:55 AM

Pages 2 Fee: \$26.00

WHEN RECORDED MAIL TO:

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

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accommodation only. No information  
contained herein has been verified.  
Aspen Title & Escrow, Inc.

ASPERU: 6900

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST dated June 20, 2006, is made and executed between between LEO SMOTHERS and MARY C SMOTHERS, AS TENANTS BY THE ENTIRETY ("Grantor") and Sterling Savings Bank, whose address is Klamath Falls - Shasta, 2943 S Sixth St, Klamath Falls, OR 97603 ("Lender").

DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated November 19, 2002 (the "Deed of Trust") which has been recorded in KLAMATH County, State of Oregon, as follows:

RECORDED JANUARY 31, 2003 UNDER KLAMATH COUNTY AUDITOR'S FILE #MTL59104.

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

LOT 8 IN BLOCK 9 OF TRACT 1264, FOURTH ADDITION TO 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 5738 BASIN VIEW DR, KLAMATH FALLS, OR 97603. The Real Property tax identification number is R871984.

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

TERMS OF THE NOTE ARE HEREBY AMENDED AS FOLLOWS: NOTE DATED MAY 17, 2006 IN THE PRINCIPAL AMOUNT OF \$30,000.00. AMEND BENEFICIARY TO READ: STERLING SAVINGS BANK SUCCESSOR IN INTEREST TO KLAMATH FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION.

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 JUNE 20, 2006.

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 Leo Smothers  
LEO SMOTHERS

x Mary C Smothers  
MARY C SMOTHERS

LENDER:

STERLING SAVINGS BANK

x Janet L. Monti  
Authorized Officer

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Oregon  
COUNTY OF Klamath

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On this day before me, the undersigned Notary Public, personally appeared LEO SMOTHERS and MARY C SMOTHERS, 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 20th day of June, 2006.

By Janet L. Monti  
Notary Public in and for the State of Oregon

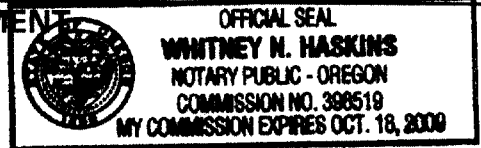
Residing at Klamath Falls  
My commission expires 12-3-08

MODIFICATION OF DEED OF TRUST  
(Continued)

Loan No: 700986885

Page 2

LENDER ACKNOWLEDGMENT



STATE OF Oregon

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COUNTY OF Klamath

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On this 20<sup>th</sup> day of June, 20 06, before me, the undersigned Notary Public, personally appeared Janet Monti and known to me to be the Loan 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 Whitney Haskins

Residing at Sterling Savings Bank

Notary Public in and for the State of Oregon

My commission expires Oct. 18, 2009