

MTC 1396-7966

RECORDATION REQUESTED BY:

People's Bank of Commerce
Main Branch
750 Biddle Rd
Medford, OR 97504

2006-016324

Klamath County, Oregon



08/14/2006 02:46:11 PM

Fee: \$26.00

WHEN RECORDED MAIL TO:

People's Bank of Commerce
Main Branch
750 Biddle Rd
Medford, OR 97504

SEND TAX NOTICES TO:

Corey A. Gray
Michelle M. Gray
P.O. Box 5204
Central Point, OR 97502

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST dated August 10, 2006, is made and executed between between Corey A. Gray and Michelle M. Gray, whose address is P.O. Box 5204, Central Point, OR 97502 ("Grantor") and People's Bank of Commerce, whose address is Main Branch, 750 Biddle Rd, Medford, OR 97504 ("Lender").

DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated August 10, 2005 (the "Deed of Trust") which has been recorded in Klamath County, State of Oregon, as follows:

Recorded on August 19, 2005 as Document No. M05-62306 in the office of Klamath County Official Records.

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

Lots 7 and 8, Block 4, LAKEWOODS, UNIT NO. 2, 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 41469 Lakewoods Drive, Klamath Falls, OR 97601.

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

Extend Maturity Date from August 10, 2006 to February 10, 2007 and Increase the Rate from 8.25% Fixed to 10.25% Fixed.

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 endorser 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 AUGUST 10, 2006.

GRANTOR:

x Corey A. Gray
Corey A. Gray

x Michelle M. Gray
Michelle M. Gray

LENDER:

PEOPLE'S BANK OF COMMERCE

x Janice Bugian
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.

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Oregon)
) SS
COUNTY OF Jackson)



On this day before me, the undersigned Notary Public, personally appeared Corey A. Gray and Michelle M. Gray, 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 10th day of August, 2006.

By [Signature] Residing at Medford

Notary Public in and for the State of Oregon My commission expires 5.31.08

26.00

LENDER ACKNOWLEDGMENT

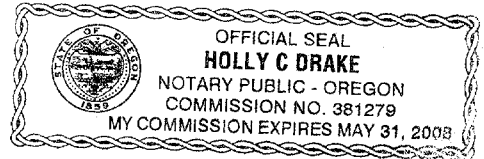
STATE OF Oregon

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COUNTY OF Jackson

) SS

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On this 10th day of August, 20 06, before me, the undersigned Notary Public, personally appeared Janice Brigham 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 [Signature]

Residing at Medford

Notary Public in and for the State of Oregon

My commission expires 5-31-08