

RECORDATION REQUESTED BY:

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

2006-017672

Klamath County, Oregon



00002753200600176720020023

09/01/2006 11:03:20 AM

Fee: \$26.00

WHEN RECORDED MAIL TO:

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

SEND TAX NOTICES TO:

JOHN E JOHNSON
DEBORA A JOHNSON
2637 OLD MIDLAND RD
KLAMATH FALLS, OR 97603

mtc-76545KR

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST dated August 29, 2006, is made and executed between between JOHN E JOHNSON and DEBORA A JOHNSON, 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 June 13, 2006 (the "Deed of Trust") which has been recorded in KLAMATH County, State of Oregon, as follows:

RECORDED JUNE 21, 2006 UNDER KLAMATH COUNTY MICROFILM RECORDS VOLUME M06, PAGE 12719.

REAL PROPERTY DESCRIPTION. The Deed of Trust covers the following described real property located in KLAMATH County, State of Oregon:
LOT 1 OF TRACT 1358, 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 2633 OLD MIDLAND RD, KLAMATH FALLS, OR 97603. The Real Property tax identification number is 3909-033D0-02500-000.

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

TERMS OF THE NOTE ARE HEREBY AMENDED AS FOLLOWS: NOTE DATED AUGUST 29, 2006 IN THE PRINCIPAL AMOUNT OF \$340,000.00 WITH A MATURITY DATE OF JUNE 15, 2017.

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 AUGUST 29, 2006.

GRANTOR:

x *[Signature]*
JOHN E JOHNSON

x *[Signature]*
DEBORA A JOHNSON

LENDER:

STERLING SAVINGS BANK

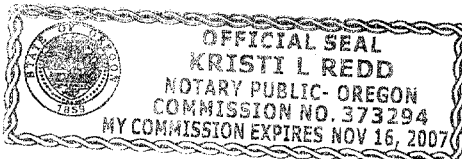
[Signature]
Authorized Officer

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Oregon

COUNTY OF Klamath

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On this day before me, the undersigned Notary Public, personally appeared JOHN E JOHNSON, to me known to be the individual described in act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 1st day of September, 20 06.

By *[Signature]* Residing at Klamath County

Notary Public in and for the State of OREGON

My commission expires 11/16/2007

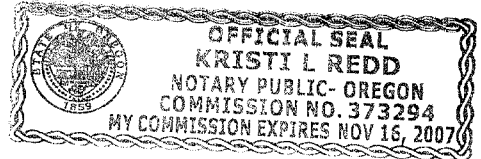
26.00

MODIFICATION OF DEED OF TRUST
(Continued)

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 **DEBORA A JOHNSON**, to me known to be the individual described in act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 5th day of September, 20 06
By Kristi L. Redd Residing at Klamath County, Oregon
Notary Public in and for the State of Oregon My commission expires 11/16/2007

LENDER ACKNOWLEDGMENT

STATE OF Oregon
COUNTY OF Klamath

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) SS
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On this 30th day of August, 20 06, before me, the undersigned Notary Public, personally appeared Bethanie S. Halvorson 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 Catherine L. Smeltzer Residing at Klamath Falls, OR
Notary Public in and for the State of Oregon My commission expires July 5, 2010