

RECORDATION REQUESTED BY:

Sterling Savings Bank
Klamath Falls - Main
540 Main St
Klamath Falls, OR 97601



01/30/2007 11:19:01 AM

Fee: \$26.00

WHEN RECORDED MAIL TO:

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

Aspen: 6998

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST dated January 29, 2007, is made and executed between between REX HOWARD APPLEBY and SHERRILYNE ANN APPLEBY, AS TENANTS BY THE ENTIRETY ("Grantor") and Sterling Savings Bank, whose address is Klamath Falls - Main, 540 Main St, Klamath Falls, OR 97601 ("Lender").

DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated December 24, 2004 (the "Deed of Trust") which has been recorded in KLAMATH County, State of Oregon, as follows:

RECORDED DECEMBER 27, 2004 UNDER KLAMATH COUNTY AUDITOR'S FILE VOL M04 PAGE 88302.

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

ALL THAT REAL PROPERTY SITUATED IN THE COUNTY OF KLAMATH, STATE OF OREGON, DESCRIBED AS: A TRACT OF LAND SITUATED IN THE S 1/2 N 1/2 NW 1/4 NE 1/4 OF SECTION 16, TOWNSHIP 39 SOUTH, RANGE 10 EAST OF THE WILLAMETTE MERIDIAN, IN THE COUNTY OF KLAMATH, STATE OF OREGON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHWEST CORNER OF SAID S 1/2 N 1/2 NW 1/4 NE 1/4 (HEREINAFTER REFERRED TO AS "PARCEL") THENCE 1ST, EASTERLY, ALONG THE SOUTH LINE OF SAID PARCEL 320.4 FEET TO A POINT; THENCE 2ND, NORTHERLY, PARALLEL TO THE WEST LINE OF SAID PARCEL, 150 FEET TO A POINT; THENCE 3RD, WESTERLY, PARALLEL TO THE SOUTH LINE OF SAID PARCEL, 320.4 FEET TO THE WEST LINE THEREOF; THENCE 4TH SOUTHERLY, ALONG SAID WEST LINE, 150 FEET TO THE POINT OF BEGINNING. EXCEPTING THEREFROM THE COUNTY ROAD 30 FEET IN WIDTH ALONG THE WEST LINE OF SAID TRACT. SUBJECT TO RESTRICTIONS, RESERVATIONS, EASEMENTS, COVENANTS, OIL, GAS OR MINERAL RIGHTS OF RECORD, IF ANY.

The Real Property or its address is commonly known as 4791 PINE GROVE ROAD, KLAMATH FALLS, OR 97603. The Real Property tax identification number is R597072.

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

TERMS OF THE NOTE ARE HEREBY AMENDED AS FOLLOWS: NOTE DATED JANUARY 29, 2007 IN THE PRINCIPAL AMOUNT OF \$110,000.00 WITH A MATURITY DATE OF FEBRUARY 5, 2027.

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 JANUARY 29, 2007.

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 REX HOWARD APPLEBY

X SHERRILYNE ANN APPLEBY

LENDER:

STERLING SAVINGS BANK

X Authorized Officer

This document is being recorded as an accommodation only. No information contained herein has been verified.
Aspen Title & Escrow, Inc.

\$26-A

MODIFICATION OF DEED OF TRUST
(Continued)

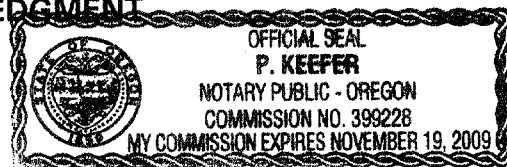
Loan No: 701042746

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INDIVIDUAL ACKNOWLEDGMENT

STATE OF Oregon
COUNTY OF Klamath

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On this day before me, the undersigned Notary Public, personally appeared REX HOWARD APPLEBY and SHERRILYNE ANN APPLEBY, 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 29th day of January, 2006.

By [Signature]

Residing at Klamath Falls, Oregon

Notary Public in and for the State of Oregon

My commission expires November 19, 2009

LENDER ACKNOWLEDGMENT

STATE OF Oregon
COUNTY OF Klamath

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On this 30th day of January, 2007, before me, the undersigned Notary Public, personally appeared Pam Keefer and known to me to be the Authorized Officer

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 Brenda Miller

Residing at Klamath Falls, OR

Notary Public in and for the State of Oregon

My commission expires 2/10/10