

MTC75017-M5

RECORDATION REQUESTED BY:

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

2007-009509

Klamath County, Oregon



00023302200700095090050058

05/25/2007 02:11:00 PM

Fee: \$41.00

WHEN RECORDED MAIL TO:

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

SEND TAX NOTICES TO:

DOVE HOLLOW DEVELOPMENT, LLC
5181 GATEWOOD DR
KLAMATH FALLS, OR 97603

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST dated January 24, 2007, is made and executed between between DOVE HOLLOW DEVELOPMENT, LLC, AN OREGON LIMITED LIABILITY COMPANY ("Grantor") and Sterling Savings Bank, whose address is Klamath Falls Commercial Banking Center, 540 Main St, Klamath Falls, OR 97601 ("Lender").

DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated June 21, 2006 (the "Deed of Trust") which has been recorded in KLAMATH County, State of Oregon, as follows:

RECORDED JUNE 22, 2006 UNDER KLAMATH COUNTY AUDITOR'S FILE #M0612803.

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

See the exhibit or other description document which is attached to this Modification and made a part of this Modification as if fully set forth herein.

The Real Property or its address is commonly known as 921 PATTERSON ST, KLAMATH FALLS, OR 97603. The Real Property tax identification number is 3809-036CA-01800-000.

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

TERMS OF THE NOTE ARE HEREBY AMENDED AS FOLLOWS: NOTE DATED JANUARY 24, 2007 IN THE PRINCIPAL AMOUNT OF \$485,160.00, WITH A MATURITY DATE OF JANUARY 15, 2018.

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 JANUARY 24, 2007.

GRANTOR:

DOVE HOLLOW DEVELOPMENT, LLC

By: [Signature]
ROY W HOLMES, Member of DOVE HOLLOW DEVELOPMENT, LLC

By: [Signature]
STANLEY D PETERS, Member of DOVE HOLLOW DEVELOPMENT, LLC

By: [Signature]
BRIAN C CONOVER, Member of DOVE HOLLOW DEVELOPMENT, LLC

By: [Signature]
STEPHEN R HOLMES, Member of DOVE HOLLOW DEVELOPMENT, LLC

By: [Signature]
SPACEY R HOLMES, Member of DOVE HOLLOW DEVELOPMENT, LLC

By: [Signature]
LINDA L PETERS, Member of DOVE HOLLOW DEVELOPMENT, LLC

By: [Signature]
LUANNE J CONOVER, Member of DOVE HOLLOW DEVELOPMENT, LLC

By: [Signature]
RUBY N HOLMES, Member of DOVE HOLLOW DEVELOPMENT, LLC

LENDER:

STERLING SAVINGS BANK

[Signature]
Authorized Officer

MODIFICATION OF DEED OF TRUST
(Continued)

Loan No: 7002

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LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

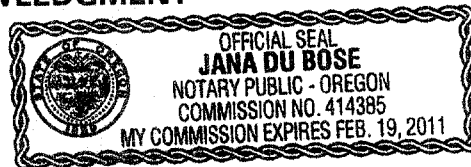
STATE OF Oregon

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COUNTY OF Klamath

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On this 23rd day of May, 20 07, before me, the undersigned Notary Public, personally appeared **ROY W HOLMES, Member of DOVE HOLLOW DEVELOPMENT, LLC**, and known to me to be a member or designated agent of the limited liability company that executed the Modification of Deed of Trust and acknowledged the Modification to be the free and voluntary act and deed of the limited liability company, by authority of statute, its articles of organization or its operating agreement, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this Modification and in fact executed the Modification on behalf of the limited liability company.

By Jana Du Bose
Notary Public in and for the State of Oregon

Residing at Klamath Falls
My commission expires Feb. 19th 2011

LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF Oregon

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COUNTY OF Klamath

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On this 23rd day of May, 20 07, before me, the undersigned Notary Public, personally appeared **STACEY R HOLMES, Member of DOVE HOLLOW DEVELOPMENT, LLC**, and known to me to be a member or designated agent of the limited liability company that executed the Modification of Deed of Trust and acknowledged the Modification to be the free and voluntary act and deed of the limited liability company, by authority of statute, its articles of organization or its operating agreement, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this Modification and in fact executed the Modification on behalf of the limited liability company.

By Jana Du Bose
Notary Public in and for the State of Oregon

Residing at Klamath Falls
My commission expires Feb. 19th 2011

LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF Oregon

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COUNTY OF Klamath

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On this 23rd day of May, 20 07, before me, the undersigned Notary Public, personally appeared **STANLEY D PETERS, Member of DOVE HOLLOW DEVELOPMENT, LLC**, and known to me to be a member or designated agent of the limited liability company that executed the Modification of Deed of Trust and acknowledged the Modification to be the free and voluntary act and deed of the limited liability company, by authority of statute, its articles of organization or its operating agreement, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this Modification and in fact executed the Modification on behalf of the limited liability company.

By Jana Du Bose
Notary Public in and for the State of Oregon

Residing at Klamath Falls
My commission expires Feb. 19th 2011

LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF Oregon

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COUNTY OF Klamath

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On this 23rd day of May, 20 07, before me, the undersigned Notary Public, personally appeared **LINDA L PETERS, Member of DOVE HOLLOW DEVELOPMENT, LLC**, and known to me to be a member or designated agent of the limited liability company that executed the Modification of Deed of Trust and acknowledged the Modification to be the free and voluntary act and deed of the limited liability company, by authority of statute, its articles of organization or its operating agreement, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this Modification and in fact executed the Modification on behalf of the limited liability company.

By Jana Du Bose
Notary Public in and for the State of Oregon

Residing at Klamath Falls
My commission expires Feb. 19th 2011

MODIFICATION OF DEED OF TRUST
(Continued)

Loan No: 7002

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LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF Oregon

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COUNTY OF Klamath

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On this 24th day of May, 20 07, before me, the undersigned Notary Public, personally appeared **BRIAN C CONOVER**, Member of **DOVE HOLLOW DEVELOPMENT, LLC**, and known to me to be a member or designated agent of the limited liability company that executed the Modification of Deed of Trust and acknowledged the Modification to be the free and voluntary act and deed of the limited liability company, by authority of statute, its articles of organization or its operating agreement, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this Modification and in fact executed the Modification on behalf of the limited liability company.

By Jana DuBose
Notary Public in and for the State of Oregon

Residing at Klamath Falls
My commission expires Feb. 19th 2011

LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF Oregon

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COUNTY OF Klamath

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On this 24th day of May, 20 07, before me, the undersigned Notary Public, personally appeared **LUANNE J CONOVER**, Member of **DOVE HOLLOW DEVELOPMENT, LLC**, and known to me to be a member or designated agent of the limited liability company that executed the Modification of Deed of Trust and acknowledged the Modification to be the free and voluntary act and deed of the limited liability company, by authority of statute, its articles of organization or its operating agreement, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this Modification and in fact executed the Modification on behalf of the limited liability company.

By Jana DuBose
Notary Public in and for the State of Oregon

Residing at Klamath Falls
My commission expires Feb. 19th 2011

LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF Oregon

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COUNTY OF Klamath

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On this 24th day of May, 20 07, before me, the undersigned Notary Public, personally appeared **STEPHEN R HOLMES**, Member of **DOVE HOLLOW DEVELOPMENT, LLC**, and known to me to be a member or designated agent of the limited liability company that executed the Modification of Deed of Trust and acknowledged the Modification to be the free and voluntary act and deed of the limited liability company, by authority of statute, its articles of organization or its operating agreement, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this Modification and in fact executed the Modification on behalf of the limited liability company.

By Jana DuBose
Notary Public in and for the State of Oregon

Residing at Klamath Falls
My commission expires Feb. 19th 2011

LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

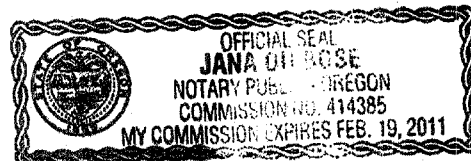
STATE OF Oregon

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COUNTY OF Klamath

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On this 24th day of May, 20 07, before me, the undersigned Notary Public, personally appeared **RUBY N HOLMES**, Member of **DOVE HOLLOW DEVELOPMENT, LLC**, and known to me to be a member or designated agent of the limited liability company that executed the Modification of Deed of Trust and acknowledged the Modification to be the free and voluntary act and deed of the limited liability company, by authority of statute, its articles of organization or its operating agreement, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this Modification and in fact executed the Modification on behalf of the limited liability company.

By Jana DuBose
Notary Public in and for the State of Oregon

Residing at Klamath Falls
My commission expires Feb. 19th 2011

MODIFICATION OF DEED OF TRUST
(Continued)

Loan No: 7002

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LENDER ACKNOWLEDGMENT

STATE OF Oregon

COUNTY OF Klamath

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On this 24th day of May, 2007, before me, the undersigned Notary Public, personally appeared Bethanie Halvorsen and known to me to be the Commercial 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 Jana Du Bose
Notary Public in and for the State of Oregon

Residing at Klamath
My commission expires Feb. 19th 2011

EXHIBIT "A"
LEGAL DESCRIPTION

PARCEL 1

A portion of the N1/2 SW1/4 of Section 36, Township 38 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, being more particularly described as follows:

Beginning at the intersection of the center line of Patterson Street with the North boundary of the SW1/4 of said Section 36, which point is 1303.0 feet, more or less, East of the one-quarter corner common to Sections 35 and 36 of said Township and Range; thence East, along the North boundary of the SW1/4 of said Section 36, a distance of 450.0 feet; thence South, along a line parallel to said Patterson Street, a distance of 400.00 feet; thence West, along a line parallel to said North boundary, a distance of 450.0 feet, more or less, to the centerline of said Patterson Street; thence North 400.0 feet, more or less, to the point of beginning.

SAVING AND EXCEPTING that portion within the boundaries of Patterson Street.

PARCEL 2

A tract of land in the NE1/4 SW1/4 of Section 36, Township 38 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, being more particularly described as follows:

Beginning at a point on the East boundary of Patterson Street, said point begin North 89° 55' East a distance of 1345.2 feet and North 0° 16' West a distance of 2187.0 feet from the Southwest corner of said Section 36; thence North 89° 39 1/2' East a distance of 420.0 feet; thence North 0° 16' West a distance of 91.2 feet to an iron pin on the Southeast corner of property deed to Dr. W.M. G. Holford, Jr., and Bernice K. Wolford by Deed Volume 278, page 240, Klamath County Deed Records; thence North 89° 59' West along the South line of said property a distance of 420.0 feet to the East boundary of Patterson Street; thence South 0° 16' East along the East boundary of Patterson Street a distance of 94.0 feet, more or less, to the point of beginning.

Tax Account No: 3809-036CA-01800-000 Key No: 451059