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01/24/2008 11:20:09 AM

Fee: \$21.00

AFTER RECORDING RETURN TO:

THE MORTGAGE EXCHANGE, INC.
9725 SW Beaverton-Hillsdale Hwy
Suite 110
Beaverton, OR 97005

The space above this line reserved for Recorder

MODIFICATION AGREEMENT - TRUST DEED OR MORTGAGE

In consideration of the sum of TEN AND NO/100 - - Dollars, (\$10.00) and other good and valuable consideration from each to the other in hand paid and delivered, receipt of which is hereby acknowledged by the respective parties, it is hereby agreed by, SIERRA DEVELOPMENT, LLC who is the present owner of the property described in the note and trust deed hereinafter mentioned and is herein designated the borrower and THE MORTGAGE EXCHANGE, INC., herein designated the lender, that the following described note and trust deed, to wit: That certain note dated the 18th day of July, 2007, secured by a trust deed of even date recorded on the 18th day of July, 2007 as Recorders Fee No. 2007-12776 in the (Mortgage) records of Klamath County, Oregon in the amount of \$4,997,574.00 is hereby modified as follows:

CURRENT NOTE AND TRUST DEED STATUS

Table with 3 columns: Description, Amount, and Interest/Status. Rows include Balance 'A' & 'B', 'A' & 'B' with interest to, Balance 'C' Participation Fee, Total Balance Due, and interest rates for 'A' & 'B' and 'C'.

MODIFICATION NOTE AND TRUST DEED STATUS

Table with 3 columns: Description, Amount, and Interest/Status. Rows include Balance 'A' & 'B', Balance 'C' Participation Fee, Total Note & Trust Deed, Balance 'A' and 'B' plus accrued interest and Balance 'C' all due in full, and interest rates.

and the following provision: Section 14.2 of the trust deed is hereby amended to provide that the release amount for Lot 27 shall be the construction budget amount of \$163,900.00 plus accrued interest or the balance of the loan advances for the construction of the home on Lot 27, Sierra Heights plus accrued interest; plus 10% of the allotted budget in the amount of \$16,390.00 plus accrued interest; plus the advance against proceeds of the sale of Lot 27 in the amount of \$35,000.00 plus accrued interest for an estimated total release amount of \$215,290.00 plus accrued interest.

The note and trust deed are hereby modified so as to provide and require that the total unpaid balance or aggregate balances of said note and trust deed shall from the 1st day of January, 2008 bear interest at the rate of Nine & 61/100 (9.61 %) percent per annum and shall be accrued and payable as stated in said note and trust deed provided.

It is further expressly understood that said note and trust deed and all their covenants and conditions shall remain in full force and effect as herein expressly modified.

The following additional terms are hereby agreed upon by all parties. The entire unpaid balance shall be due and payable on or before July 18, 2009 as provided in the note and trust deed.

In this agreement, the obligation as evidenced by the promissory note and secured by a trust deed.

Dated January 24, 2008 Dated January 23, 2008

SIERRA DEVELOPMENT, LLC, Owner

By: Eddie Wilcher, Member

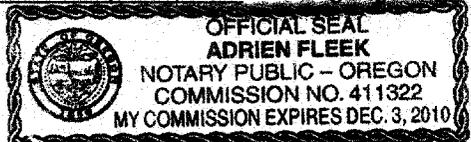
THE MORTGAGE EXCHANGE, INC., Lender

By: Michael Wilcher, Member

By: Joan M. Crew, Senior Vice President

State of OREGON County of Klamath ss.

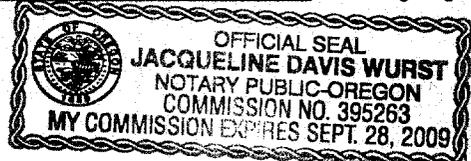
This instrument as acknowledged before me on 24 day of January, 2008. Personally appeared the above named Eddie Wilcher and Michael Wilcher who acknowledged as Members for Sierra Development, LLC the foregoing instrument to be their voluntary act and deed.



Notary Public for Oregon My commission expires: 12-3-10

State of OREGON County of Washington ss.

This instrument as acknowledged before me on 23rd day of January, 2008. Personally appeared the above named Joan M. Crew who acknowledged as Senior Vice President for THE MORTGAGE EXCHANGE, INC. the foregoing instrument to be on the behalf of the corporation



Notary Public for Oregon My commission expires:

1st 2008-033

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