

MT-74507-15

RECORDATION REQUESTED BY:
NORTHWEST BANK
4900 MEADOWS ROAD, SUITE 410
LAKE OSWEGO, OR 97035

WHEN RECORDED MAIL TO:
NORTHWEST BANK
4900 MEADOWS ROAD, SUITE 410
LAKE OSWEGO, OR 97035

SEND TAX NOTICES TO:
NORTHWEST DIRECT HOMES, INC.
24790 SW BIG FIR DRIVE
WEST LINN, OR 97068

2008-002578

Klamath County, Oregon



00040937200800025780020026

02/29/2008 11:29:51 AM

Fee: \$26.00

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST dated February 11, 2008, is made and executed between NORTHWEST DIRECT HOMES INC, whose address is 24790 SW BIG FIR DRIVE, WEST LINN, OR 97068 ("Grantor") and NORTHWEST BANK, whose address is 4900 MEADOWS ROAD, SUITE 410, LAKE OSWEGO, OR 97035 ("Lender").

DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated July 10, 2006 (the "Deed of Trust") which has been recorded in Klamath County, State of Oregon, as follows:

Recorded on July 13, 2006, Document No. M06-14102.

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

Parcels 2 and 3 of Land Partition 14-01, being a portion of Lot 69 Fair Acres Subdivision No. 1, Klamath County, Oregon.

The Real Property or its address is commonly known as OR. The Real Property tax identification number is Tax Account No: 3809-035DD-00401-000; Key No: 887964 and Tax Account No: 3809-035DD-00402-000; Key No: 887965.

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

Any provisions of the Note permitting loan proceeds to be advanced from time to time are hereby deleted, and from and after the date of the Change In Terms Agreement, there will be no further advances of loan proceeds under the Note.

The Note dated July 10, 2006 has been modified as follows: Pursuant to a Change in Terms Agreement dated February 11, 2008, together with all renewals, modifications, extensions, refinancings of and substitutions for the Note, the current principal balance of the note, \$511,582.86, has been decreased by \$121,582.86, for a total principal amount of \$390,000.00. The maturity date of the note has been extended to February 11, 2011.

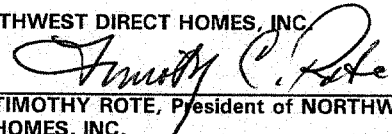
CONTINUING VALIDITY. Except as expressly modified above, the terms of the original Deed of Trust shall remain unchanged and in full force and effect. Consent by Lender to this Modification does not waive Lender's right to require strict performance of the Deed of Trust as changed above nor obligate Lender 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 endorers 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 FEBRUARY 11, 2008.

GRANTOR:

NORTHWEST DIRECT HOMES, INC

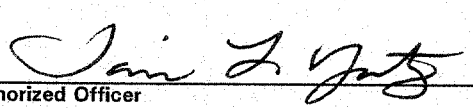
By:


TIMOTHY ROTE, President of NORTHWEST DIRECT HOMES, INC.

LENDER:

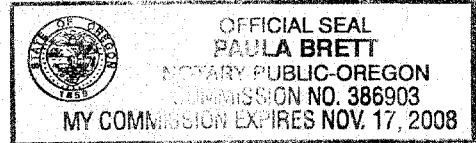
NORTHWEST BANK

x


Authorized Officer

26 ANT

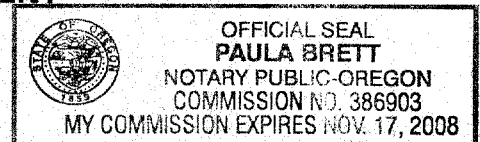
CORPORATE ACKNOWLEDGMENT

STATE OF OregonCOUNTY OF Clackamas)
) SS
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On this 25th day of February, 2008, before me, the undersigned Notary Public, personally appeared **TIMOTHY ROTE, President of NORTHWEST DIRECT HOMES, INC.**, and known to me to be an authorized agent of the corporation that executed the Modification of Deed of Trust and acknowledged the Modification to be the free and voluntary act and deed of the corporation, by authority of its Bylaws or by resolution of its board of directors, 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 corporation.

By Paula BrettResiding at Northwest BankNotary Public in and for the State of OregonMy commission expires Nov. 17, 2008

LENDER ACKNOWLEDGMENT

STATE OF OregonCOUNTY OF Clackamas)
) SS
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On this 25th day of February, 2008, before me, the undersigned Notary Public, personally appeared Jan Yutzy and known to me to be the VP, authorized agent for **NORTHWEST BANK** that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of **NORTHWEST BANK**, duly authorized by **NORTHWEST BANK** 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 in fact executed this said instrument on behalf of **NORTHWEST BANK**.

By Paula BrettResiding at Northwest BankNotary Public in and for the State of OregonMy commission expires Nov. 17, 2008