



**ALL-IN-ONE
MODIFICATION AGREEMENT
(Construction Phase Modified/Additional Funds/Work Change)**

THIS MODIFICATION AGREEMENT, made this 27th day of **March, 2008**, modifies the Note with Construction Loan Rider Amending Note (the "Note"), the Security Instrument with Construction Loan Rider Amending Security Agreement, recorded at Book **2006** Page, **20654**, of the **Klamath** County Register of Deeds ("Security Instrument") and the Construction Loan Agreement each dated **October 2, 2006**, (collectively the "Loan Documents"), previously executed by the undersigned (the "Borrower") in favor of Bank of the Cascades (the "Lender"). The Loan Documents evidence a construction loan (the "Loan") which has both a construction loan phase (the "Construction Phase") and a permanent loan phase (the "Permanent Phase"). All terms defined in the Note and Construction Loan Agreement shall have the same meaning in this Modification Agreement. The terms of this Loan Agreement preceded by a "☐" are part of this Loan Agreement *only* if the box is checked.

☒ **I. CONSTRUCTION PHASE MODIFIED**

This Modification Agreement modifies the Loan Documents to change the Completion Date, the Permanent Mortgage Date, and the Maturity Date.

In consideration of the mutual promises and agreements exchanged, with the intent to be legally bound, Borrower and Lender agree as follows:

1. **CONSTRUCTION PHASE.** The Completion Date of the Construction Phase is changed from, **October 31, 2007 to March 31, 2008.**
2. **CONSTRUCTION PHASE INTEREST.** Borrower will continue to pay interest at the rate stated in the Note (the "Note Rate") on the amounts advanced during the Construction Phase as provided in the Construction Loan Rider Amending Note.
3. **PERMANENT PHASE.**
 - A. Beginning on the first day of the month following the Completion Date (the "Permanent Mortgage Date"), the Principal amount of the Loan, together with interest at the Note Rate, will be repaid over a **360** month period. The Note is modified so that Borrower will make monthly payments of Principal and interest on the 1st day of the month beginning on **May 1st, 2008**, and every month thereafter.
 - B. The Note is modified so that the Maturity Date of the Note is **April 1, 2038.**

☐ **II. ADDITIONAL FUNDS**

This Modification Agreement modifies the Loan Documents to (1) increase the Principal amount of the Loan, (2) restate the number and amount of monthly payments of Principal and interest due under the Note, and (3) increase the amount of Principal secured by the Security Instrument.

In consideration of the mutual promises and agreements exchanged, with the intent to be legally bound, Borrower and Lender agree as follows:

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1. **NEW LOAN TERMS.** The Loan is modified to increase the Principal amount from _____ to _____.
2. **NOTE.** The Note, as amended by the Construction Loan Rider Amending Note, is modified to restate the "Borrower's Promise to Pay" and "Payments" as follows:

BORROWER'S PROMISE TO PAY

In return for a loan that I have received, I promise to pay U.S. \$ _____ (this amount is called "principal"), plus interest, to the order of the Lender. The Lender is _____. I understand that the Lender may transfer the Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called the "Note Holder."

PAYMENTS – CONSTRUCTION PHASE

Payments during the Construction Phase will be as provided in the Construction Loan Rider Amending Note.

PAYMENTS – PERMANENT PHASE

(A) Time and Place of Payments

I will pay principal and interest by making monthly payments every month.
I will make my monthly payments on the _____ day of each month beginning on _____.
I will make these payments every month until I have paid all of the principal and interest and any other charges described below that I may owe under this Note. My monthly payments will be applied to interest before principal. If, on _____, I still owe amounts under this Note, I will pay those amounts in full on that date, which is called the "Maturity Date."
I will make my monthly payments at _____,
_____ or at a different place if required by the Note Holder.

(B) Amount of Monthly Payments

My monthly payment will be in the amount of U.S. \$ _____.

☐ **III. CONSTRUCTION LOAN AGREEMENT.**

Exhibit B of the Construction Loan Agreement is modified to restate the Schedule of Advances as follows:

IV. MODIFICATION FEE.

Borrower will pay a modification fee of \$ _____-0-_____ to Lender.

V. OTHER TERMS UNCHANGED.

Except as provided in this Modification Agreement, the terms of the Note, the Security Instrument and the Construction Loan Agreement remain unchanged, and the Borrower and Lender by this Agreement ratify, confirm and agree to the Loan Documents as modified and changed by this Modification Agreement.

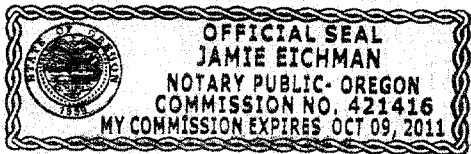
Bank of the Cascades

By: Susan A. Blakeslee

Name: ~~LAURIE BRAAKSMA~~ **SUSAN A BLAKESLEE**
It's: ~~Vice President~~ **VICE PRESIDENT**

STATE OF OREGON)
) ss.:
COUNTY OF DESCHUTES)

On this 2TH day of MARCH, 2008, before me the subscriber personally appeared **SUSAN A. BLAKESLEE**
~~LAURIE BRAAKSMA JE~~ to me known and known to me to be the same person(s) described in and who executed the foregoing instrument, and (s)he/they duly (jointly and severally) acknowledged to me that (s)he/they executed the same.



Jamie Eichman
Notary Signature

JAMIE EICHMAN
Notary Printed Name

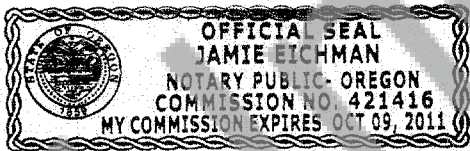
Notary Public; State of OREGON
Qualified in the County of DESCHUTES
My commission expires: OCT 9, 2011

Craig D. Spoonmore
Borrower #1 **Craig D. Spoonmore**

Betty L. Spoonmore
Borrower #2 **Betty L. Spoonmore**

STATE OF OREGON)
) ss.:
COUNTY OF DESCHUTES)

On this 27TH day of MARCH, 2008, before me the subscriber personally appeared **CRAIG D. SPOONMORE** (and) **BETTY L. SPOONMORE** to me known and known to me to be the same person(s) described in and who executed the foregoing instrument, and (s)he/they duly (jointly and severally) acknowledged to me that (s)he/they executed the same.



Jamie Eichman
Notary Signature

JAMIE EICHMAN
Notary Printed Name

Notary Public; State of OREGON
Qualified in the County of DESCHUTES
My commission expires: OCT 9, 2011

For Persons with No Personal Liability on the Loan.

You are signing this Agreement only to give us a security interest in the Collateral described in the Note and the Property described in the Security Instrument. You agree to all of the terms and conditions of this Agreement. You also are waiving any homestead right to the extent permitted by law. However, you have no personal obligation to pay the Loan.

X _____ X _____

STATE OF _____)
) ss.:
COUNTY OF _____)

On this _____ day of _____, _____, before me the subscriber personally appeared _____ (and) _____ to me known and known to me to be the same person(s) described in and who executed the foregoing instrument, and (s)he/they duly (jointly and severally) acknowledged to me that (s)he/they executed the same.

Notary Signature

Notary Printed Name

Notary Public; State of _____

Qualified in the County of _____

My commission expires: _____

Official Seal: