

NTC-1396-10327

2011-000416

Klamath County, Oregon

After recording return to:
South Valley Bank & Trust
P.O. Box 5210 / 803 Main St.
Attn: RE Dept
Klamath Falls OR 97601



00095243201100004160020029

01/11/2011 03:27:46 PM

Fee: \$42.00

LOAN MODIFICATION AGREEMENT

(Providing for Adjustable Interest Rate)

This Loan Modification Agreement ("Agreement"), made this 10th day of January, 2011 between Paul Tiffie and Teresa Tiffie ("Borrower") and South Valley Bank & Trust ("Lender"), amends and supplements (1) the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument"), and Timely Payments Rewards Rider, if any, dated December 5, 2007 and recorded on December 5, 2007 in Book or Liber, at page(s) or Document No. 2007-020462, of the County Records of Klamath, Oregon (2) the Note, bearing the same date as, and secured by, the Security Instrument, which covers the real and personal property described in the Security Instrument and defined therein as the "Property", located at

208 East Main Street, Klamath Falls OR 97601

the real property described being set forth as follows:

Lot 44 and the Westerly 8 feet 4 inches of Lot 43, Block 11, Industrial Addition to the City of Klamath Falls, according to the official plat thereof on file in the office of the County Clerk, Klamath County, Oregon.

In consideration of the mutual promises and agreements exchanged, the parties hereto agree as follows (notwithstanding anything to the contrary contained in the Note and Security Instrument):

1. As of January 10, 2011, the amount payable under the Note and the Security Instrument (the "Unpaid Principal Balance") is U.S. \$70,086.43 consisting of the amount(s) loaned to Borrower by Lender plus and any interest and other amounts capitalized.
2. Borrower promises to pay the Unpaid Principal Balance, plus interest, to the order of Lender. Interest will be charged on the Unpaid Principal Balance at the yearly rate of 5.000% from January 1, 2011. Borrower promises to make monthly payments of interest only beginning on the 1st day of February, 2011, and continuing thereafter on the same day of each succeeding month until April 1, 2011. Borrower promises to make monthly payments of principal and interest of U.S. \$534.6 beginning on the 1st day of May, 2010, and continuing thereafter on the same day of each succeeding month until principal and interest are paid in full. The yearly rate of 8.125%, will remain in effect until principal and interest is paid in full. If on January 1, 2038 (the "Maturity Date"), Borrower still owes amounts under the Note and the Security Instrument, as amended by this Agreement, Borrower will pay these amounts in full on the Maturity Date.

The Borrower understands and agrees that the initial rate of interest may change on the first day of January, 2013, and on that day every 12th month thereafter on the "change date" as such term is defined in the Note and Security Instrument.

The Borrower will make such payment at South Valley Bank & Trust, PO Box 5210, Klamath Falls OR 97601 or at such other place as the Lender may require.

The Borrower understands that (I) the interest rate they are required to pay at the first Change Date will not be greater than 13.125% or less than 4.00%, and (ii) their interest rate will never be greater than 13.125% as specified in the Note.

3. If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lenders' prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument.

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If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by the Security Instrument without further notice or demand on Borrower.

4. The Borrower also will comply with all other covenants, agreements, and requirements of the Security Instrument, including without limitation, the Borrower's covenants and agreements to make all payment of taxes, insurance premiums, assessments, escrow items, impounds and all other payment that the Borrower is obligated to make under the Security Instrument, including:
- (a) all terms and provisions of the Note and Security Instrument (if any) providing for, implementing, or relating to, any change or adjustment in the rate of interest payable under the Note, and
 - (b) all terms and provisions of any adjustable rate rider or other instrument or document that is affixed to, wholly or partially incorporated into, or is part of, the Note or Security Instrument and that contains any such terms and provisions as those referred to in (a) above.
5. Nothing in the Agreement shall be understood or construed to be a satisfaction or release in whole or in part of the Note and Security Instrument. Except as otherwise specifically provided in this Agreement, the Note and Security Instrument will remain unchanged, and the Borrower and Lender will be bound by, and comply with, all of the terms and provisions thereof, as amended by this Agreement.

South Valley Bank & Trust (Seal)
-Lender

Paul Tiffie (Seal)
Paul Tiffie -Borrower

By: Courtney Felix
Courtney Felix, VP/Real Estate
Department Manager

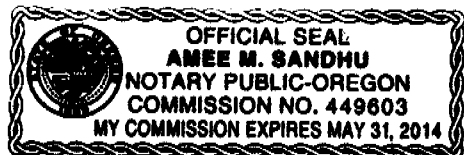
Teresa Tiffie (Seal)
Teresa Tiffie -Borrower

_____[Space below This Line for Acknowledgments]_____

State of Oregon
County of Klamath

This instrument was acknowledged before me on January 10, 2011 (date) by
Paul Tiffie and Teresa Tiffie (borrowers)

(person[s] acknowledging).



Amee M. Sandhu
Notary Public for Oregon