

85528

SH.107

Recording Requested By And
When Recorded, Return To:
Shearson Lehman Mortgage
19000 MacArthur Blvd.
Irvine, CA. 92715
3rd Floor

Vol. 88 Page 4085

Attention: Marilee Reynolds

Loan Number:

(Space above line for Recorder's use only)

K-40252

MODIFICATION OF ACCOUNT AGREEMENT AND SECURITY INSTRUMENT

This Modification of Account Agreement and Security Instrument ("Modification") is made and entered into this 5 day of March, 1988 by and between L.A. Swetland and Cheryl J. Swetland (individually and collectively, the "Borrower") and SHEARSON LEHMAN MORTGAGE CORPORATION (formerly known as SHEARSON AMERICAN EXPRESS MORTGAGE CORPORATION and subsequent to that known as WESTERN PACIFIC FINANCIAL CORPORATION), a Delaware corporation ("Shearson Mortgage"), whose address is 1201 East Highland Avenue, San Bernardino, California 92404. In this Modification, the terms "you" and "your" refer to the Borrower. The terms "we," "us," and "our" refer to Shearson Mortgage. This Modification makes reference to the following facts:

- A. You have entered into a credit account agreement (either a Shearson Key Client Account Agreement, a Shearson Key Client Credit Account Agreement and Deed of Trust or a Shearson Home Equity Credit Account Agreement) with us dated December 21, 1982 (the "Account Agreement"), whereunder we have extended credit to you.
- B. In consideration of our extension(s) of credit to you under the Account Agreement, you have given us a security interest in the form of a mortgage, trust deed or deed of trust (the "Security Instrument") in certain real property (the "Property"), which Property has the address of 1915 Del Moro, Klamath Falls, OR. 97601, and which Property is more particularly described in Exhibit A attached hereto and incorporated by reference herein. The Security Instrument was recorded on January 4, 1983 as Instrument No. M83-125 in the Official Records of Klamath County, Oregon. The Security Instrument is incorporated within the Account Agreement or is incorporated by reference therein as a separate document dated of even date therewith.
- C. The Account Agreement provides that the credit account governed thereby (your "Credit Account") will be terminated and all amounts owing on your Credit Account, including accrued and unpaid Finance Charges and other charges, will be due and payable in full on January 1, 1988 (the "Maturity Date").

- D. You and Shearson Mortgage desire to modify the Account Agreement to extend the Maturity Date of your Credit Account for an additional period upon the terms and conditions set forth below.

NOW THEREFORE, for good and valuable consideration as hereinafter described, the receipt and adequacy of which is hereby acknowledged, you and Shearson Mortgage hereby agree as follows:

1. The Maturity Date of your Credit Account is hereby extended to January 1, 1993.
2. You acknowledge that the Security Instrument shall continue to secure all loan advances and all other amounts owed under the Account Agreement, as modified and extended by this Modification, and all other amounts identified in the Security Instrument until all such amounts are paid in full.
3. This Modification is expressly conditioned upon your payment to us of an Extension Fee of \$ 500.00 (the "Extension Fee"), in consideration of our extension of the Maturity Date of your Credit Account. The Extension Fee shall be paid in cash or by certified check (other than by a loan advance under your Credit Account), or, at your request and at our option, may be charged to your Credit Account upon execution of this document by you.
4. To the extent that this Modification conflicts with the terms set forth in the Renewal Provision of the Account Agreement or the Addendum, the terms of this Modification shall supersede the terms of the Renewal Provision. Specifically, the extension herein shall supersede any rights to extend which may be contained in the Account Agreement and if any conflict exists between the terms of the Account Agreement and this Agreement, the terms of this Agreement shall prevail.
5. Finance Charge:
 - (a) FINANCE CHARGE is imposed when your Credit Account is modified. In consideration of the extension of the maturity of your Account Agreement, you hereby agree that the Finance Charge, as of the date of this modification will be as set forth below:

A FINANCE CHARGE of \$ 500.00 (N/A % of Maximum Credit Limit or \$ N/A, whichever is greater).

(b) FINANCE CHARGE imposed monthly. The Finance Charge for each monthly billing cycle on your Credit Account, as extended by the Modification, **4087** consists of the periodic Finance Charge (the "Monthly Finance Charge") for that billing cycle.

- (1) We start with the balance in your Credit Account at the beginning of the billing cycle excluding any unpaid Monthly Finance Charge from previous billing cycles.
- (2) Each day during the billing cycle, we take the balance described in paragraph (1) above and add to that amount any loan advances and other charges and subtract, after paying in full any previous Finance Charge, any payments or credits which are posted to your Credit Account during the billing cycle up to the close of business for that day. This gives us the daily balance for each day of the billing cycle.
- (3) We then multiply the daily balance for each day of the billing cycle by the Daily Periodic Rate in effect for that day.
- (4) At the close of the billing cycle, we add together the Finance Charge so computed for each day of the billing cycle to get the total Monthly Finance Charge for that billing cycle.

The initial Daily Periodic Rate on your Credit Account, as extended pursuant to the Modification, shall be 0.027397 \$ (ANNUAL PERCENTAGE RATE of 10.0000 %) and shall be equal to the Prime Rate (as defined below) in effect on the last business day immediately preceding the date of the Modification, plus One and One-Half percentage points (1.5000 %), divided by 365.

6. Payment Procedures

By signing the Modification, you will authorize Shearson to continue to pay your minimum monthly payment on the date due by way of an automatic advance from your Securities Account. If you prefer to make your monthly payments directly to Shearson Mortgage, and you do not wish Shearson to make such monthly advances on your behalf, simply notify Shearson Mortgage in writing of your preference and Shearson Mortgage will make arrangements for a direct payment procedure. If the Maturity Date of your Credit Account is accelerated pursuant to Paragraph 2, you may in any event be obligated to make all of your monthly payments directly to Shearson Mortgage at our address shown above or such other place as we may designate in writing. Unless applicable law provides otherwise, we will apply all payments made to your Credit Account first to interest payable and then to principal. If we do not receive your minimum payment within 10 days of the due date shown on the monthly statement, we will charge your Credit Account a late charge equal to the greater of \$ 5.00 or Six percent (6.00 %) of the amount of the delinquent payment.

7. Billing Rights Notice; Keep this Notice for Future Use

This notice contains important information about your rights and our responsibilities under the Fair Credit Billing Act.

NOTIFY US IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR BILL.

8. Except as herein expressly modified and amended, the Account Agreement, the Security Instrument and any addendums, riders, documents, exhibits or agreements incorporated therein or attached thereto, are not altered, amended or modified. None of the rights of Shearson Mortgage thereunder are or shall be deemed prejudiced by reason of this Modification. This Modification shall not be construed as a novation, it being the intent of the parties hereto that the original Account Agreement and Security Instrument, as extended and modified pursuant to the provisions of this Modification, shall remain in full force and effect and that the priority of the Security Instrument relative to any other encumbrances on the Property shall not in any way be affected by this Modification.
9. By execution of this Modification, the parties hereto agree to execute such further documents and take such further actions as necessary to carry out the provisions of this Modification.
10. This Modification shall be binding upon and shall inure to the benefit of the parties and their respective successors and assigns.
11. Terms not otherwise defined herein shall have the same meaning as set forth in the Account Agreement.

By signing below, you acknowledge that on this date you received and read a completely filled-in copy of this Modification along with copies of the documents referred to in this Modification before you signed any documents obligating you under the proposed Modification of your Credit Account.

✓ L.A. Swetland
Borrower's Signature

3/5/88
Date

✓ Cheryl J. Swetland
Borrower's Signature
Cheryl J. Swetland

3-5-88
Date

SHEARSON LEHMAN MORTGAGE CORPORATION

By: [Signature]
Its: Operations Manager

By: [Signature]
Its: Senior Vice President

FOR CORPORATE ACKNOWLEDGEMENT

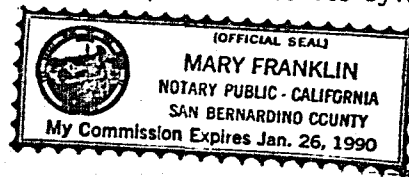
STATE OF California)
COUNTY OF Orange) ss.

4089

On March 10, 1988 before me, the undersigned, a Notary Public in and for said State, personally appeared Edward O. Peek personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as the Senior Vice President, and Carol Griffin personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as the Operations Manager ~~Secretary~~ of the Corporation that executed the within instrument and acknowledged to me that such corporation executed the within instrument pursuant to its bylaws or a resolution of its board of directors.

WITNESS my hand and official seal

Mary Franklin



FOR INDIVIDUAL ACKNOWLEDGEMENT

STATE OF Oregon)
COUNTY OF Hemath) ss.

On March 5, 1988 before me, the undersigned, a Notary Public in and for said State, personally appeared L.A. Swettland & Cheryl J. Swettland personally known to me or proved to me on the basis of satisfactory evidence to be the persons whose names subscribed to the within instrument and acknowledged that Lacy executed the same.

WITNESS my hand and official seal.

Lacy Mick
term expires 4-27-88

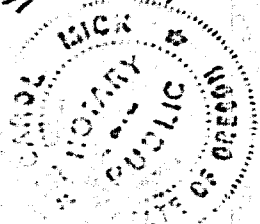


EXHIBIT A
(Property Description)

4090

Lots 15, 16 and 17 in Block 18 of Hillside Addition
to the City of Klamath Falls, Oregon, according to
the official plat thereof on file in the office of
the County Clerk of Klamath County, Oregon.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Klamath County Title Company the 24th day
of March A.D., 19 88 at 10:56 o'clock A M., and duly recorded in Vol. M88,
of Mortgages on Page 4085.
Evelyn Biehn, County Clerk
By Pam Smith

FEE \$30.00