

RECORDATION REQUESTED BY:

WESTERN BANK
999 South Second Street
P.O. Box 888
Coos Bay, OR 97420-0328

WHEN RECORDED MAIL TO:

WESTERN BANK
So. 6th St. Branch
P.O. Box 1064, 2000 So. 6th
Klamath Falls, OR 97603
SEND TAX NOTICES TO:

Richard E. Otocki and Emily C. Otocki
6730 Kimberly Dr.
Klamath Falls, OR 97603

mtc 32778

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SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF MORTGAGE

THIS MODIFICATION OF MORTGAGE IS DATED APRIL 20, 1994, BETWEEN Richard E. Otocki and Emily C. Otocki, Richard E. and Emily C. Otocki, (referred to below as "Grantor"), whose address is 6730 Kimberly Dr., Klamath Falls, OR 97603; and WESTERN BANK (referred to below as "Lender"), whose address is 999 South Second Street, P.O. Box 888, Coos Bay, OR 97420-0328.

MORTGAGE. Grantor and Lender have entered into a mortgage dated January 6, 1993 (the "Mortgage").

REAL PROPERTY DESCRIPTION. The Mortgage covers the following described real property (the "Real Property") located in Klamath County, State of Oregon:

Lot 30 and 31, Block 3, Tract No. 1120, SECOND ADDITION TO EAST HILLS, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon. EXCEPT THEREFROM that portion of said Lot 30 more particularly described as follows: Beginning at a point on the East line of Lot 29, Block 3, of said Tract No. 1120, said point being South 70.00 feet from the center of the cul-de-sac of Kimberly Court; thence North 20.00 feet; then Northeasterly along the arc of said cul-de-sac (thru a central angle of 20 degrees 09'08") 17.59 feet; thence South 36 degrees 45'3" West 28.78 feet to the point of beginning. ALSO EXCEPTING THEREFROM the Easterly 10 feet of Lot 31 in Block 3 of said Second Addition to East Hills Estate, Tract 1120.

The Real Property or its address is commonly known as 6730 Kimberly Dr., Klamath Falls, OR 97603.

MODIFICATION. Grantor and Lender hereby modify the Mortgage as follows:

Increase Principal amount of Note from \$50,000.00 to \$80,000.00.

CONTINUING VALIDITY. Except as expressly modified above, the terms of the original Mortgage 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 Mortgage 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 Mortgage (the "Note"). It is the intention of Lender to retain as liable all parties to the Mortgage and all parties, makers and endorsers 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 Mortgage 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.

EACH GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MODIFICATION OF MORTGAGE, AND EACH GRANTOR AGREES TO ITS TERMS.

GRANTOR:

x

Richard E. Otocki

x

Emily C. Otocki

LENDER:

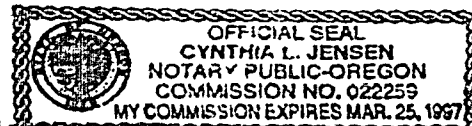
WESTERN BANK

By:

Authorized Officer

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Oregon)
COUNTY OF Klamath) SS



On this day before me, the undersigned Notary Public, personally appeared Richard E. Otski and who executed the Modification of Mortgage, and acknowledged that they signed the Modification as their free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 20th day of April, 19 94.
By Cynthia L. Jensen Residing at Klamath Falls
Notary Public in and for the State of Oregon My commission expires 3/25/97

LENDER ACKNOWLEDGMENT

STATE OF Oregon)
COUNTY OF Klamath) SS



On this 20th day of April, 19 94, before me, the undersigned Notary Public, personally appeared Richard E. Otski and known to me to be the Manager, authorized agent for the Lender that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of the said Lender, duly authorized by the Lender 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 that the seal affixed is the corporate seal of said Lender.

By Cynthia L. Jensen Residing at Klamath Falls
Notary Public in and for the State of Oregon My commission expires 3/25/97

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STATE OF OREGON: COUNTY OF KLAMATH: SS.

Filed for record at request of Mountain Title co the 22nd day
of April A.D., 19 94 at 3:36 o'clock P.M., and duly recorded in Vol. M94
of Mortgages on Page 12164.

FEE \$15.00

Evelyn Biehn - County Clerk
By Pauline Mullendore