

RECORDATION REQUESTED BY:

WESTERN BANK, a division of Washington Mutual Bank
421 South 7th Street
P.O. Box 669
Klamath Falls, OR 97601-0322

WHEN RECORDED MAIL TO:

WESTERN BANK, a division of Washington Mutual Bank
421 South 7th Street
P.O. Box 669
Klamath Falls, OR 97601-0322

SEND TAX NOTICES TO:

ROBERT E. VEATCH and MARTHA M. VEATCH
2048 PORTLAND
KLAMATH FALLS, OR 97601

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

47520
MODIFICATION OF MORTGAGE

THIS MODIFICATION OF MORTGAGE IS DATED MARCH 1, 1996, BETWEEN ROBERT E. VEATCH and MARTHA M. VEATCH, INITIAL TRUSTEES OF THE "ROBERT E. VEATCH 1984 TRUST" UTA DATED OCTOBER 30, 1984. AN ESTATE IN FEE SIMPLE, (referred to below as "Grantor"), whose address is 2048 PORTLAND, KLAMATH FALLS, OR 97601; and WESTERN BANK, a division of Washington Mutual Bank (referred to below as "Lender"), whose address is 421 South 7th Street, P.O. Box 669, Klamath Falls, OR 97601-0322.

MORTGAGE. Grantor and Lender have entered into a mortgage dated December 29, 1994 (the "Mortgage") recorded in KLAMATH County, State of Oregon as follows:

RECORDED JANUARY 3, 1995 IN VOLUME M-95 ON PAGE 4, RECORDS OF KLAMATH COUNTY, OREGON.

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

15 FEET OFF THE WESTERLY SIDE OF LOT 7 AND THE EAST HALF OF THE EAST HALF OF LOT 6, ALL IN BLOCK 36 OF THE ORIGINAL TOWN OF LINKVILLE, NOW THE CITY OF KLAMATH FALLS, OREGON, EXCEPTING HOWEVER, AN UNDIVIDED ONE HALF INTEREST IN AND TO 17 INCHES OFF THE WESTERLY SIDE OF SAID EAST HALF OF THE EAST HALF OF LOT 6 IN BLOCK 36, SAID ORIGINAL TOWN OF LINKVILLE, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE COUNTY CLERK, KLAMATH COUNTY, OREGON.

The Real Property or its address is commonly known as 422 MAIN STREET, KLAMATH FALLS, OR 97601.

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

EXTEND MATURITY DATE TO AUGUST 5, 1996, PRINCIPAL BALANCE IS \$20,000.00 AND RATE REMAINS AT WESTERN BANK PRIME RATE OF INTEREST PLUS 1.75%, FLOATING DAILY.

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 Robert E. Veatch
ROBERT E. VEATCH

x Martha M. Veatch
MARTHA M. VEATCH

96 MAR -7 P3:16

03-01-1996
Loan No 9004

MODIFICATION OF MORTGAGE
(Continued)

Page 2

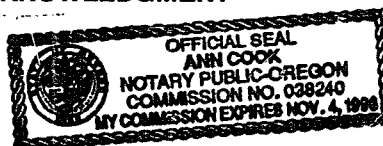
LENDER:

WESTERN BANK, a Division of Washington Mutual Bank

By: [Signature]
Authorized Officer

INDIVIDUAL ACKNOWLEDGMENT

STATE OF OREGON)
) SS
COUNTY OF KLAMATH)



On this day before me, the undersigned Notary Public, personally appeared **ROBERT E. VEATCH** and **MARTHA M. VEATCH**, to me known to be the individuals described in 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.

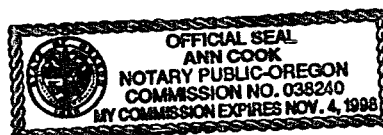
Given under my hand and official seal this 5th day of MARCH, 1996.

By [Signature] Residing at Klamath Falls OR

Notary Public in and for the State of OREGON My commission expires 11-04-98

LENDER ACKNOWLEDGMENT

STATE OF OREGON)
) SS
COUNTY OF KLAMATH)



On this 5th day of MARCH, 1996, before me, the undersigned Notary Public, personally appeared CHARLES SKYBERG and known to me to be the AVP ASSISTANT 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 [Signature] Residing at KLAMATH FALLS OR

Notary Public in and for the State of OREGON My commission expires 11-04-98

LASER PRO, Reg. U.S. Pat. & T.M. Off., Ver. 3.20b (c) 1996 CFI ProServices, Inc. All rights reserved. [OR-G201 E3.21 F3.21 P3.21 VEATCH1.LN C4.OVL]

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Western Bank the 7th day of March A.D., 1996 at 3:16 o'clock PM., and duly recorded in Vol. M96 of Mortgages on Page 6280.

FEE \$15.00

Bernetha G. Letsch, County Clerk
By [Signature]