

RECORDATION REQUESTED BY:

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

97 MAR -4 P3:08

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:

Ervin James Thornton, also known as Ervin J. Thornton and
Elsie Deane Thornton
4360 Homedale Road
Klamath Falls, OR 97603

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

K-45881
MODIFICATION OF MORTGAGE

THIS MODIFICATION OF MORTGAGE IS DATED FEBRUARY 24, 1997, BETWEEN Ervin James Thornton, also known as Ervin J. Thornton and Elsie Deane Thornton (referred to below as "Grantor"), whose address is 4360 Homedale Road, Klamath Falls, OR 97603; 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 22, 1995 (the "Mortgage") recorded in Klamath County, State of Oregon as follows:

Recorded December 28, 1995, in Klamath County, State of Oregon.

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

LOTS 8, 9, 10, 11 AND 12, AND THE SOUTHERLY 1 FOOT OF LOT 13 IN BLOCK 13, OF INDUSTRIAL ADDITION TO THE CITY OF KLAMATH FALLS, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE COUNTY CLERK OF KLAMATH COUNTY, OREGON.

The Real Property or its address is commonly known as **522 Adam Street, Klamath Falls, OR 97601.**

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

The maturity date of the existing indebtedness described above is hereby extended to February 10, 1998, when the entire unpaid principal balance, all accrued and unpaid interest, and all other amounts payable hereunder shall be due and payable. Effective February 24, 1997, the interest rate to be applied to the unpaid principal balance of the existing indebtedness described above is hereby changed to 2.000 percentage points over the Index..

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.

02-24-1997
Loan No 0301MODIFICATION OF MORTGAGE
(Continued)

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

GRANTOR:

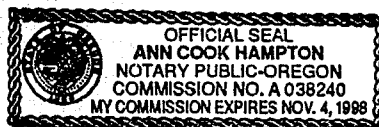
x Ervin James Thornton
Ervin James Thornton, also known as Ervin J. Thorntonx Elsie Deane Thornton
Elsie Deane Thornton

LENDER:

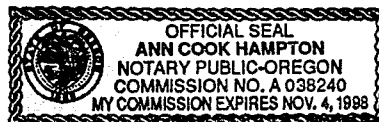
WESTERN BANK, a division of Washington Mutual Bank

By: [Signature]
Authorized Officer

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Oregon)
) SS
COUNTY OF Klamath)On this day before me, the undersigned Notary Public, personally appeared Ervin James Thornton, also known as Ervin J. Thornton; and Elsie Deane Thornton, 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 28th day of February, 19 97.By Ann Cook Hampton Residing at Klamath Falls, OregonNotary 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 28th day of February, 19 97, before me, the undersigned Notary Public, personally appeared Charles R. 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 Ann Cook Hampton Residing at Klamath Falls, OregonNotary Public in and for the State of Oregon My commission expires 11-04-98

LASER PRO, Reg. U.S. Pat. & T.M. Off., Ver. 3.22b(c) 1997 CFI ProServices, Inc. All rights reserved. [OR-G201 E3.23 F3.23 P3.23 EDMINC01.LN C4.OVL]

STATE OF OREGON : COUNTY OF KLAMATH: ss.

Filed for record at request of Klamath County Title the 4th day
of March A.D., 19 97 at 3:08 o'clock P. M., and duly recorded in Vol. M97
of Mortgages on Page 6428

Bernetha G. Letsch, County Clerk

FEE \$15.00

by Kathleen Rose