

48424

Vol. M 97 Page 37168

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 10 10 P3:41

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:

Kenneth S. Dugan
522 Pacific Terrace
Klamath Falls, OR 97601

AMERTILE, has recorded this
instrument by request as an accommodation only,
and has not examined it for regularity and efficiency
or as to its effect upon the title to any real property
that may be described therein.

MTC 1396-8689

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST IS DATED OCTOBER 13, 1997, BETWEEN Kenneth S. Dugan (referred to below as "Grantor"), whose address is 522 Pacific Terrace, 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.

DEED OF TRUST. Grantor and Lender have entered into a Deed of Trust dated August 29, 1989 (the "Deed of Trust") recorded in Klamath County, State of Oregon as follows:

Recorded September 1, 1989 in Klamath County in Vol. M19 of Mortgages on Page 16537

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

See Exhibit "A" attached hereto and by this reference incorporated herein

The Real Property or its address is commonly known as 677 South Seventh Street, Klamath Falls, OR 97601. The Real Property tax identification number is 3809 032AD 00900, 3809 032AD 01300, 3809 033BC 0700, 3809 033BC 07300.

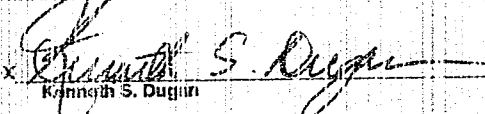
MODIFICATION. Grantor and Lender hereby modify the Deed of Trust as follows:

Pursuant to the execution of that certain Change in Terms Agreement of even date herewith, Grantor hereby agrees that the maturity date of the Deed is extended to April 13, 1998; repayment is hereby described as mentioned in the before mentioned Change in Terms Agreement. Effective October 13, 1997, the Principal Amount of the Note is hereby reduced to \$239,614.89

CONTINUING VALIDITY. Except as expressly modified above, the terms of the original Deed of Trust 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 Deed of Trust 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 Deed of Trust (the "Note"). It is the intention of Lender to retain as liable all parties to the Deed of Trust 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 Deed of Trust 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 DEED OF TRUST, AND EACH GRANTOR AGREES TO ITS TERMS.

GRANTOR:


Kenneth S. Dugan

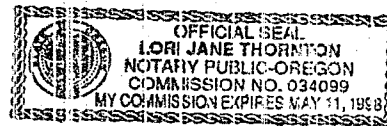
LENDER:

WESTERN BANK, a division of Washington Mutual Bank

By: [Signature]
Authorizing Officer

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Oregon)
) SS
COUNTY OF Klamath)



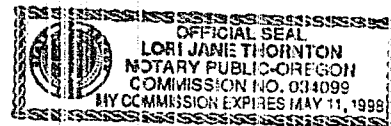
On this day before me, the undersigned Notary Public, personally appeared Kenneth S. Dugan, to me known to be the individual described in and who executed the Modification of Deed of Trust, and acknowledged that he or she signed the Modification as his or her free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 6th day of November, 19 97.

By [Signature] Residing at Klamath Falls, OR 97601
Notary Public in and for the State of Oregon My commission expires 5-11-1998

LENDER ACKNOWLEDGMENT

STATE OF Oregon)
) SS
COUNTY OF Klamath)



On this 6th day of November, 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 modification and that the seal affixed is the corporate seal of said Lender.

By [Signature] Residing at Klamath Falls, OR 97601
Notary Public in and for the State of Oregon My commission expires 5-11-1998

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STATE OF OREGON: COUNTY OF KLAMATH ss.

Filed for record at request of America's Title the 10th day
of November A.D., 19 97 at 2:41 o'clock P M., and duly recorded in Vol. M97
of Mortgages on Page 37168.

FEE \$15.00

Bernetha G. Letsch, County Clerk
By [Signature]