

RECORDATION REQUESTED BY:

Klamath First Federal Savings & Loan Association
Madison Branch
2300 Madison
Klamath Falls, OR 97603

Vol M02 Page 10993

WHEN RECORDED MAIL TO:

Klamath First - Consumer Loan Center
714 Main Street
3rd Floor
Klamath Falls, OR 97601

State of Oregon, County of Klamath

Recorded 02/22/2002 4:01 P m.Vol M02, Pg 10993-95

Linda Smith, County Clerk

Fee \$ 31.00 # of Pgs 3

SEND TAX NOTICES TO:

Lyle J. Barney
Lia A. Barney
7304 Reeder Rd.
Klamath Falls, OR 97603

MTC 1396-3652

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST dated February 21, 2002, is made and executed between Lyle J. Barney and Lia A. Barney as tenants by the entirety ("Grantor") and Klamath First Federal Savings & Loan Association, Madison Branch, 2300 Madison, Klamath Falls, OR 97603 ("Lender").

DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated February 20, 2002 (the "Deed of Trust") which has been recorded in Klamath County, State of Oregon, as follows:

Recorded in Klamath County, State of Oregon as follows: Recorded October 10, 1997 at 3:51 p.m. Vol. M97 Page 33542 in Klamath County State of Oregon.

REAL PROPERTY DESCRIPTION. The Deed of Trust covers the following described real property located in Klamath County, State of Oregon:

See Exhibit A, which is attached to this Modification and made a part of this Modification as if fully set forth herein.

The Real Property or its address is commonly known as 7304 Reeder Rd., Klamath Falls, OR 97603. The Real Property tax identification number is 598614

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

Increase existing Line of Credit from \$12,900.00 to \$20,000.00.

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.

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MODIFICATION OF DEED OF TRUST AND GRANTOR AGREES TO ITS TERMS. THIS MODIFICATION OF DEED OF TRUST IS DATED FEBRUARY 21, 2002.

GRANTOR:

X

Lyle J. Barney, Individually

Lia A. Barney
Lia A. Barney, Individually

LENDER:

X

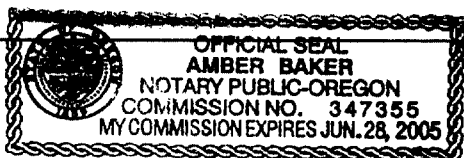
Authorized Officer

INDIVIDUAL ACKNOWLEDGMENT

STATE OF OregonCOUNTY OF Klamath

On this day before me, the undersigned Notary Public, personally appeared Lyle J. Barney and Lia A. Barney, to me known to be the individuals described in and who executed the Modification of Deed of Trust, 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 21 day of February, 20 02.

By Amber BakerResiding at 2300 Madison St. K Falls, OR 97603Notary Public in and for the State of OregonMy commission expires 6/28/05

LENDER ACKNOWLEDGMENT

STATE OF _____)
) SS
COUNTY OF _____)

On this _____ day of _____, 20_____, before me, the undersigned Notary Public, personally appeared _____ and known to me to be the _____, 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 _____ Residing at _____
Notary Public in and for the State of _____ My commission expires _____

100000

Exhibit A

A tract of land situated in the Southeast quarter of Section 19, Township 39 South, Range 10, East of the Willamette Meridian, Klamath County, Oregon, and being more particularly described as follows:

Beginning at an iron pipe marking the intersection of the West right of way line of the County road known as Reeder Road and the South right of way line of the U.S.B.R. #2 Drain as constructed, said iron pipe being 1810.0 feet North and 30.0 feet West of the Southeast corner of Section 19, Township 39 South, Range 10, East of the Willamette Meridian, Klamath County, Oregon; thence along the said South right of way line of the said U.S.B.R. #2 Drain North 87 degrees 36' West 208.85 feet to an iron pipe; thence South 212.47 feet to an iron pipe; thence East 208.71 feet to an iron pipe on the West right of way line of said Reeder Road; thence North along said right of way of said Reeder Road 204.93 feet more or less to the point of beginning.