

RECORDATION REQUESTED BY:

Klamath First Federal Savings & Loan Association
Campus Branch
2420 Dahlia Street
Klamath Falls, OR 97601

Vol M02 Page 39792

WHEN RECORDED MAIL TO:

Klamath First Federal Savings & Loan Association
Campus Branch
2420 Dahlia Street
Klamath Falls, OR 97601

State of Oregon, County of Klamath

Recorded 07/12/2002 3:04 p. m.Vol M02, Pg 39792

Linda Smith, County Clerk

Fee \$ 21.00 # of Pgs 1

SEND TAX NOTICES TO:

David C Warner
Linda Warner
935 Newcastle Ave
Klamath Falls, OR 97601

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST dated July 11, 2002, is made and executed between David C Warner and Linda Warner, Husband and Wife ("Grantor") and Klamath First Federal Savings & Loan Association, Campus Branch, 2420 Dahlia Street, Klamath Falls, OR 97601 ("Lender").

DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated July 11, 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 July 30, 2001 at 11:05 am Vol M01 Page 37815, rerecorded August 22, 2001 at 11:52 am Vol M01 Page 42661.

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

Lot 1, Block 41, Hillside Addition to the City of Klamath Falls, in the County of Klamath, State of Oregon, Excepting the Southwesterly 20 Feet thereof conveyed for alley.

The Real Property or its address is commonly known as 935 Newcastle Ave, Klamath Falls, OR 97601. The Real Property tax identification number is R217866

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

Increase existing Line of Credit from \$33,000.00 to \$39,800.00.

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 JULY 11, 2002.

GRANTOR:

x David C Warner
David C Warner, Individually

x Linda Warner
Linda Warner, Individually

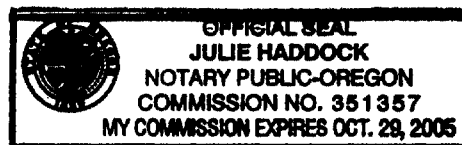
LENDER:

x _____
Authorized Officer

INDIVIDUAL ACKNOWLEDGMENT

STATE OF OregonCOUNTY OF Klamath

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On this day before me, the undersigned Notary Public, personally appeared David C Warner and Linda Warner, 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 11th day of July, 2002.

By Julie Haddock

Residing at Klamath Falls

Notary Public in and for the State of Oregon

My commission expires Oct. 29, 2005