

RECORDATION REQUESTED BY:

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

Vol M02 Page 56908

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 10/04/2002 2:41 p.m.
 Vol M02, Pg 56908
 Linda Smith, County Clerk
 Fee \$ 21.00 # of Pgs 1

SEND TAX NOTICES TO:

Barbara J Lockrem
 2825 Berkley St
 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 October 4, 2002, is made and executed between Barbara J Lockrem ("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 August 15, 2001 (the "Deed of Trust") which has been recorded in Klamath County, State of Oregon, as follows:

Recorded August 15, 2001 at 3:44 pm Vol M01 Page 41213 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:

LOTS 5 AND 6, BLOCK 14, KLAMATH LAKE ADDITION TO THE CITY OF KLAMATH FALLS, IN THE COUNTY OF KLAMATH, STATE OF OREGON.

The Real Property or its address is commonly known as 2825 Berkley St, Klamath Falls, OR 97601. The Real Property tax identification number is 437423

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

Increase existing Line of Credit from \$6,000.00 to \$19,000.00.

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 OCTOBER 4, 2002.

GRANTOR:

X Barbara J Lockrem
 Barbara J Lockrem, Individually

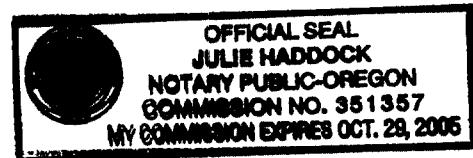
LENDER:

X Authorized Officer

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Oregon
 COUNTY OF Klamath

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On this day before me, the undersigned Notary Public, personally appeared Barbara J Lockrem, 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 4th day of October, 2002.

By Julie Haddock

Notary Public in and for the State of Oregon

Residing at Klamath Falls

My commission expires Oct. 29, 2005