

'04 MAY 26 AM 9:24

Vol M04 Page 33451

State of Oregon, County of Klamath  
Recorded 05/26/2004 9:24 a. m  
Vol M04 Pg 33451-57  
Linda Smith, County Clerk  
Fee \$ 5.00 # of Pgs 7

Loan# 0024757999

This instrument was prepared by:  
Katrina Smith, Conversion Specialist  
4802 Deer Lake Drive East  
Jacksonville, FL 32246

Record and Return to:  
PHH Mortgage Services  
3000 Leadenhall Road  
Mount Laurel, NJ 08054

Parcel Identifier:

**ORIGINAL**

**MODIFICATION AGREEMENT**

This MODIFICATION AGREEMENT (this "Agreement") is entered into this April 28th, 2004, by and between John S Morawiec, Kathy Morawiec, who reside at 9569 ARANT ROAD KLAMATH FALLS, OR 97603 (herein individually and collectively referred to as "Borrower"), and PHH Mortgage Services, a Corporation (herein referred to as "Lender").

WHEREAS, Lender is the owner and holder of that certain mortgage or deed of trust (the "Security Instrument"), dated July 30, 2003, made by Borrower as trustor or mortgagor, as the case may be, to Lender as beneficiary or mortgagee, as the case may be, recorded on 8/7/03 in Volume M03, Page 57058, if applicable, of the Public/Land Records of KLAMATH COUNTY, state of OR, securing a debt evidenced by a promissory note (the "Note") dated July 30, 2003, which Security Instrument encumbers the property more particularly described in the attached Exhibit B; and

WHEREAS, the Borrower, being the owner in fee simple of all of the property encumbered by the Security Instrument, has requested that Lender modify the Note and the Security Instrument (but only to the extent that the Note is incorporated therein by reference), and the parties have mutually agreed to modify the terms thereof in the manner hereafter stated.

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Original

**NOW THEREFORE**, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. As of the date of execution hereof, the terms and conditions of the Note, and the corresponding portions of the Security Instrument, are modified as set forth in Exhibit A attached hereto and made a part hereof.
2. The unpaid principal balance due under the Note as of the date of this Agreement is **315,200.00**.
3. Borrower warrants that Borrower has no existing right of offset, counterclaim, or other defenses against enforcement of the Note and Security Instrument by Lender and that, if any such right or defenses do exist, they are hereby waived and released.
4. This Agreement shall supersede for all purposes any and all conflicting terms and conditions provided for in the Note and Security Instrument, but shall be construed as supplemental as to any non-conflicting term or condition stated therein. The Note and Security Instrument shall continue to evidence and secure the Borrower's indebtedness thereunder as modified herein. The parties intend and agree that this Agreement is not a novation of Borrower's loan obligation. Except to the extent provided otherwise herein, neither the Note nor the Security Instrument is modified by this Agreement and they shall remain in full force and effect until the obligations secured thereunder are paid in full and the Security Instrument is satisfied of record.
5. This Agreement shall inure to the benefit of, and shall be binding upon, the assigns, successors in interest, personal representatives, estates, heir, and legatees of each of the parties hereto.
6. If the spouse of the Borrower, \_\_\_\_\_, is not obligated on the Note, (i) then this Agreement has been executed by the spouse of the Borrower only to evidence his/her consent to the modifications of the Note and Security Instrument described herein and to the other terms hereof; and (ii) said spouse shall not be personally obligated to pay the sums owed under the terms of the Note and this Agreement.
7. This Agreement contains the entire agreement of the parties hereto with regard to modifications of the Note and supersedes any prior written or oral agreements between them concerning the subject matter contained herein, and no party hereto has relied upon any representations except such as are specifically set forth herein. This Agreement may not be modified, changed or amended except by written instrument signed by Lender and Borrower. This Agreement shall be governed by the laws of the state in which the property encumbered by the Security Instrument is located.

Executed on the date first above written.

Witnesses:

Leon J. Minick

Name:  
(Witness)

Lyell Wedar

Name:  
(Witness)

Leon J. Minick

Name:  
(Witness)

Lyell Wedar

Name:  
(Witness)

John S. Morawiec (Seal)

John S Morawiec -Borrower

9569 ARANT ROAD  
KLAMATH FALLS, OR 97603

Kathy Morawiec (Seal)

Kathy Morawiec -Borrower

9569 ARANT ROAD  
KLAMATH FALLS, OR 97603

\_\_\_\_\_  
(Seal)  
-Borrower

STATE OF OREGON, KLAMATH County ss:

On this 10<sup>th</sup> day of MAY 2004, personally appeared the above named  
, John S Morawiec, Kathy Morawiec

and acknowledged the foregoing instrument to be his/hers/their voluntary act and deed.

My Commission Expires: Oct 14, 2005

Before me: Deborah Torrie

\_\_\_\_\_  
(Official Seal)

Deborah Torrie  
Notary Public for Oregon



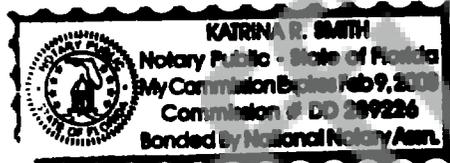
PHH Mortgage Services

33455

By:   
Albert J. Dimouah  
Assistant Vice President

STATE OF FLORIDA  
COUNTY OF DUVAL

The foregoing instrument was acknowledged before me this 18<sup>th</sup> day of May 2004, by Albert J. Dimouah, Assistant Vice President of PHH Mortgage Services a Corporation organized under the laws of the state of New Jersey on behalf of said Corporation. He is personally known to me.



  
Name:  
Notary Public, State of Florida  
Commission No:  
My Commission Expires:

**EXHIBIT A  
FIXED RATE MORTGAGE**

- (a) Beginning on the first day of June 1st, 2004 and on the first day of every month thereafter, Borrower will pay interest at a yearly fixed rate of 5.874.
- (b) Each of Borrower's principal and interest payments will be in the amount of 1,864.33.
- (c) Borrower's monthly payments will continue until all of the principal and interest and any other charges described in the Note have been paid in full, except that if, on May 1st, 2034, Borrower still owes amounts under the Note, Borrower will pay those amounts in full on that date, which is called the "Maturity Date."

**EXHIBIT B**

Lot 18 in Block 3 of Tract 1172 Shield Crest, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

Together with an undivided interest in all those private roads shown on the plat and more particularly described in Declaration recorded in Volume M84 page 4256, Deed records of Klamath County, Oregon.

Also known as:

9569 ARANT ROAD  
KLAMATH FALLS  
OR  
97603