

After Recording Return to:
Klamath First Federal Savings & Loan
540 Main St.
Klamath Falls, Oregon 97601

LOAN # 0803700006

MODIFICATION OF LINE OF CREDIT DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST IS DATED NOVEMBER 12, 1998 BETWEEN IONA M. O'QUINN AND JAMES M. O'QUINN, as tenants by the entirety, (referred to below as "Grantor"), whose address is 205 N. Main Street, Merrill, Oregon 97633; and KLAMATH FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION (referred to below as "Lender"), whose address is 540 MAIN ST., KLAMATH FALLS, OREGON 97601.

DEED OF TRUST. Grantor and Lender have entered into a Line of Credit Deed of Trust dated February 23, 1998, (the "Deed of Trust") recorded in Klamath County, State of Oregon as follows: RECORDED February 24, 1998 at 11:40 a.m.. Vol. M98 Page #5918 in Klamath County, Oregon.

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

Lot 5, Block 20, in the CITY OF MERRILL, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

The Real property or its address is commonly known as 205 N. Main Street, Merrill, Oregon 97633.

The Real Property tax identification number is # R120782.

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

AT PARAGRAPH 3. MAXIMUM OBLIGATION LIMIT, the total principal amount secured is changed from \$9,000.00 to \$11,000.00.

AT PARAGRAPH 4. SECURED DEBIT AND FUTURE ADVANCES, the term "Secured debt" is also defined to include debt incurred under the First Equity Plus Agreement dated February 23, 1998 with Iona M. O'Quinn and James M. O'Quinn as borrowers, and a maturity date of March 1, 2018 along with any extensions, renewals, modifications or substitutions in connection with that agreement.

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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 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 the Lender to retain as liable all parties to the Deed of Trust and all parties, makers and endorser 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:

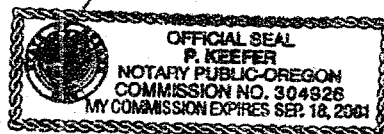
X Iona M. O'Quinn
Iona M. O'Quinn

X James M. O'Quinn
James M. O'Quinn

ACKNOWLEDGEMENT:

STATE OF Oregon, COUNTY OF Klamath } ss.
This instrument was acknowledged before me this 12th day of November, 1998
(individual) by Iona M. O'Quinn and James M. O'Quinn
My commission expires: Sept. 18, 2001

[Signature]
(Notary Public)



STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Klamath First Federal the 17th day
of November, A.D., 19 98 at 11:29 o'clock A. M., and duly recorded in Vol. M98
of Mortgages on Page 41985.

Bernetha G. Letsch, County Clerk

FEE \$15.00

By Kathleen Ross