

After Recording Return To:
Klamath First Federal Savings &
Loan Association
540 Main St.
Klamath Falls OR 97601

LOAN # 0803700015

**MODIFICATION OF LINE OF CREDIT
DEED OF TRUST**

THIS MODIFICATION OF DEED OF TRUST IS DATED SEPTEMBER 26, 2000 BETWEEN JOHN E. WALLING and BLANCHE WALLING, husband and wife, (referred to as "Grantor"), whose address is 22975 S. MERRILL RD, MERRILL OR 97633; and KLAMATH FIRST FEDERAL SAVINGS & LOAN ASSOCIATION (referred to as "Lender"), Whose Address is 540 MAIN ST., KLAMATH FALLS OR 97601.

DEED OF TRUST, Grantor and Lender entered into a Line of Credit Deed of Trust dated February 8, 1999 (the "Deed of Trust") recorded in Klamath County, State of Oregon as follows: RECORDED February 10, 1999 at 2:50 p. m. Vol. M99 Page 4933 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:
Commencing at the Southwest corner of the Northwest quarter of Section 12, Township 41 South, Range 10 East, W.M., thence North along the Section line a distance of 324 feet, more or less, to the Southern Pacific Railway Company right of way, thence East along the Southern line of said right of way a distance of 1305 feet, thence South 324 feet, more or less, to a point due East of the point of beginning, thence West to point of beginning, containing 9.72 acres, more or less, saving and excepting therefrom any portion thereof lying within the right of way of the extension of Main Street in the town of Merrill.

The Real Property or its address is commonly known as 22975 S. Merrill Rd., Merrill OR 97633.

The Real Property tax identification number is Account No. 101874

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 \$4,000.00 to \$6,000.00.

This instrument is being recorded for no accommodation only, and has not been examined as to validity, sufficiency or effect it may have upon the herein described property. This courtesy recording has been requested of ASPEN TITLE & ESCROW, INC.

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 8, 1999 with John E. Walling and Blanche Walling as borrowers, and a maturity date of February 1, 2019 along with any extensions, renewals, modifications or substitutions in connection with that agreement.

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 the 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 John E. Walling
John E. Walling

X Blanche Walling
Blanche Walling

ACKNOWLEDGMENT:

STATE OF Oregon, COUNTY OF Klamath } SS.

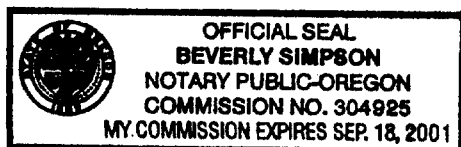
This instrument was acknowledged before me this 26th day of Sept. 2000

(individual) by John AND Blanche Walling

My commission expires:

Sept 18, 2001

Beverly Simpson
(Notary Public)



State of Oregon, County of Klamath
Recorded 10/05/00, at 10:44 a.m.
In Vol. M00 Page 36444
Linda Smith,
County Clerk Fee \$ 26.00