

After Recording Return To:
Klamath First
540 Main St.
Klamath Falls OR 97601

LOAN # 0303700047

MTL 1396-3077

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

THIS MODIFICATION OF DEED OF TRUST IS DATED AUGUST 20, 2001 BETWEEN KATHY J. MCGRATH , (referred to as "Grantor"), whose address is 1230 WILD PLUM DR, KLAMATH FALLS OR 97601; 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 OCTOBER 20, 2000 (the "Deed of Trust") recorded in Klamath County, State of Oregon as follows: RECORDED October 24, 2000 at 2:22 p.m. M00 Page 38779 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 11 Block 1 of TRACT 1091, LYNNEWOOD, 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 1230 Wild Plum Dr, Klamath Falls OR 97601.

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 \$15,000.00 to \$30,000.00.

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 October 20, 2000 with Kathy J. McGrath as borrower(s), and a maturity date of October 10, 2020 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 Kathy J. McGrath
Kathy J. McGrath

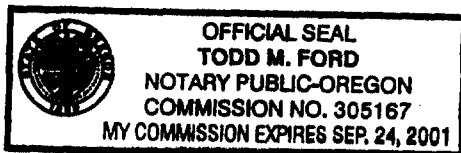
ACKNOWLEDGMENT:

STATE OF OREGON, COUNTY OF KLAMATH } SS.

This instrument was acknowledged before me this 20th day of August

(individual) by Kathy J. McGrath

My commission expires:



Todd M. Ford
(Notary Public)

State of Oregon, County of Klamath
Recorded 08/20/01 at 2:12 p. m.
In Vol. M01 Page 42083
Linda Smith,
County Clerk Fee \$ 26⁰⁰