

Upon Recording Return to:

The Travelers Insurance Company)
 7170 No. Financial Drive, Suite 101)
 Fresno, CA 93720-2900)
 Attention: Ms. Karen Micheli)

K-48616

Loan No. 205542

**MEMORANDUM OF MODIFICATION, CONSENT TO TRANSFER
 AND ASSUMPTION AGREEMENT**

A. This is a Memorandum of Modification, Consent to Transfer and Assumption Agreement to that certain Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing (Agricultural Loan), dated May 24, 1990 (hereinafter called the "Deed of Trust"), among ELSO and DITA deJONG, husband and wife, and ARIE and JENNEKE deJONG, husband and wife (collectively, "Trustor"), KLAMATH COUNTY TITLE COMPANY ("Trustee"), THE TRAVELERS INSURANCE COMPANY, a Connecticut corporation ("Beneficiary"), whose home office is located at One Tower Square, Hartford, Connecticut 06183, and Elso deJong and Dita deJong, Co-Trustees of the Elso deJong Trust and the Dita deJong Trust, each u/a/t dated 4/8/91, who together with the Trustor are hereinafter collectively referred to as Borrower.

B. The Deed of Trust recorded on May 31, 1990, in the mortgage records of Klamath County, State of Oregon in Vol. M90 of Mortgages on page 10434, is a valid and existing lien on the real property described in Exhibit "A" attached hereto and incorporated herein by this reference, and secures the indebtedness evidenced by that certain promissory note from Trustor to Beneficiary dated May 24, 1990, in the original principal amount of One Million Six Hundred Forty Thousand and No/100 Dollars (\$1,640,000.00) (the "Note").

C. Borrower has requested that certain modifications be made in the Note and Deed of Trust. Beneficiary has agreed to such request and the parties have entered into a Modification, Consent to Transfer and Assumption Agreement of even date (the "Modification Agreement").

D. Capitalized words and terms used herein without other definition shall have the meanings given in the Modification Agreement.

W I T N E S S E T H:

1. Pursuant to the Modification Agreement, the parties have agreed to the following modifications of the Loan Documents:

- (a) The current principal of the loan is \$1,467,190.33.
- (b) The amount evidenced by the Note and secured by the Deed of Trust is being increased by \$36,235.36, to \$1,503,425.69. The sums of the delinquent interest

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payments, late charges, and attorney fees being added to the principal balance as described in the Modification Agreement.

- (c) The interest rate and monthly payment amounts have not been amended.
- 2. The Maturity Date of the Note and Deed of Trust shall remain June 1, 2000.
- 3. Parcels 1 and 2 of the real property may be transferred to Elso deJong and Dita deJong, Co-Trustees of the Elso deJong Trust and the Dita deJong Trust, each u/a/t dated 4/8/91. Elso deJong and Dita deJong, Co-Trustees of the Elso deJong Trust and the Dita deJong Trust, each u/a/t dated 4/8/91, assume the obligations of and agree to pay the Note, as modified, upon the terms and conditions thereof. Such liability shall be joint and several.
- 4. Neither Trustor nor Borrower nor any other person shall be released from personal liability for payment and performance of the loan documents.
- 5. Nothing herein contained shall in any manner affect the priority of the lien of the Deed of Trust, as amended, or any other Loan Documents securing the Note.
- 6. The law of the State of Oregon shall govern the validity, interpretation, construction and performance of the Modification Agreement.
- 7. The provisions of the Modification Agreement shall be secured by the Deed of Trust and the other Loan Documents as fully as if such provisions were included in the original Note, Deed of Trust and other Loan Documents.
- 8. The Note, Deed of Trust, and other Loan Documents, as amended by the Modification Agreement, are and shall remain in full force and effect according to their terms, and all terms, covenants, conditions and provisions thereof as so amended are hereby ratified and confirmed.
- 9. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which when executed and delivered shall together constitute one and the same instrument.

UNDER OREGON LAW, MOST AGREEMENTS, PROMISES AND COMMITMENTS MADE BY THE TRAVELERS INSURANCE COMPANY AFTER OCTOBER 3, 1989, CONCERNING LOANS AND OTHER CREDIT EXTENSIONS WHICH ARE NOT FOR PERSONAL, FAMILY, OR HOUSEHOLD PURPOSES OR SECURED SOLELY BY THE TRUSTOR'S RESIDENCE MUST BE IN WRITING, EXPRESS CONSIDERATION AND BE SIGNED BY AN AUTHORIZED

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REPRESENTATIVE OF THE TRAVELERS INSURANCE COMPANY TO BE ENFORCEABLE.

WARNING

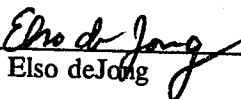
UNLESS YOU PROVIDE US WITH EVIDENCE OF THE INSURANCE COVERAGE AS REQUIRED BY OUR CONTRACT OR LOAN AGREEMENT, WE MAY PURCHASE INSURANCE AT YOUR EXPENSE TO PROTECT OUR INTEREST. THIS INSURANCE MAY, BUT NEED NOT, ALSO PROTECT YOUR INTEREST. IF THE COLLATERAL BECOMES DAMAGED, THE COVERAGE WE PURCHASE MAY NOT PAY ANY CLAIM YOU MAKE OR ANY CLAIM MADE AGAINST YOU. YOU MAY LATER CANCEL THIS COVERAGE BY PROVIDING EVIDENCE THAT YOU HAVE OBTAINED PROPERTY COVERAGE ELSEWHERE.

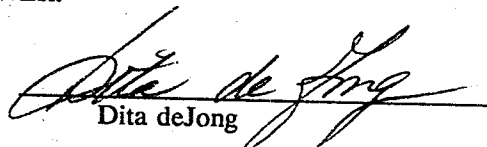
YOU ARE RESPONSIBLE FOR THE COST OF ANY INSURANCE PURCHASED BY US. THE COST OF THIS INSURANCE MAY BE ADDED TO YOUR CONTRACT OR LOAN BALANCE. IF THE COST IS ADDED TO YOUR CONTRACT OR LOAN BALANCE, THE INTEREST RATE ON THE UNDERLYING CONTRACT OR LOAN WILL APPLY TO THIS ADDED AMOUNT. THE EFFECTIVE DATE OF COVERAGE MAY BE THE DATE YOUR PRIOR COVERAGE LAPSED OR THE DATE YOU FAILED TO PROVIDE PROOF OF COVERAGE.

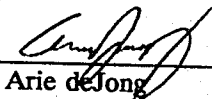
THE COVERAGE WE PURCHASE MAY BE CONSIDERABLY MORE EXPENSIVE THAN INSURANCE YOU CAN OBTAIN ON YOUR OWN AND MAY NOT SATISFY ANY NEED FOR PROPERTY DAMAGE COVERAGE OR ANY MANDATORY LIABILITY INSURANCE REQUIREMENTS IMPOSED BY APPLICABLE LAW.

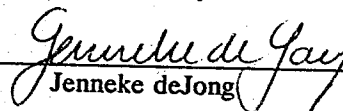
DATED AS OF NOVEMBER 1, 1995

BORROWER:


Elso deJong


Dita deJong


Arie deJong


Jenneke deJong

[Signatures continue on following page.]

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The Elso deJong Trust
u/a/t dated 4/8/91

By *Elso de Jong*
Elso deJong, Co-Trustee

By *Dita de Jong*
Dita deJong, Co-Trustee

The Dita deJong Trust
u/a/t 4/8/91

By *Elso de Jong*
Elso deJong, Co-Trustee

By *Dita de Jong*
Dita deJong, Co-Trustee

STATE OF California)
~~OREGON~~)
County of San Diego) ss.
~~Washington~~)

On Nov. 22, 1995, personally appeared Elso deJong, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.



Brian K. Bailey
Notary Public for California
My Commission Expires: 5/5/98

STATE OF California)
~~OREGON~~)
County of San Diego) ss.
~~Washington~~)

On Nov 22, 1995, personally appeared Dita deJong, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the

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same and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.



Brian K. Bailey
Notary Public for Oregon California
My Commission Expires: 5/5/98

STATE OF OREGON)
 Klamath) ss.
County of Multnomah)

On November 27, 1995, personally appeared Arie deJong, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.



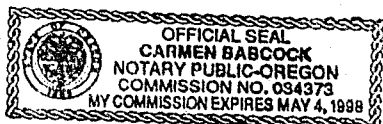
WITNESS my hand and official seal.

Carmen Babcock
Notary Public for Oregon
My Commission Expires: 5/4/98

STATE OF OREGON)
 Klamath) ss.
County of Multnomah)

On November 27, 1995, personally appeared Jenneke deJong, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.



Carmen Babcock
Notary Public for Oregon
My Commission Expires: 5/4/98

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AND ASSUMPTION AGREEMENT

STATE OF ~~OREGON~~ ^{California})
 County of ~~Multnomah~~ ^{San Diego}) ss.

On Nov 22, 1995, personally appeared Elso deJong, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity as a Co-Trustee of The Elso deJong Trust u/a/t dated 4/8/91, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.



Brian K. Bailey
 Notary Public for ~~Oregon~~ ^{California}
 My Commission Expires: 5/5/98

STATE OF ~~OREGON~~ ^{California})
 County of ~~Multnomah~~ ^{San Diego}) ss.

On Nov 22, 1995, personally appeared Dita deJong, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity as a Co-Trustee of The Elso deJong Trust u/a/t dated 4/8/91, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

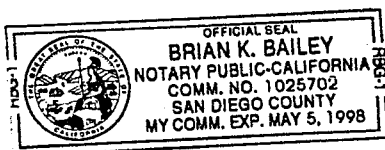
WITNESS my hand and official seal.



Brian K. Bailey
 Notary Public for ~~Oregon~~ ^{California}
 My Commission Expires: 5/5/98

STATE OF ^{Cal. forms} OREGON)
 County of ^{San Diego} Multnomah) ss.

On _____, 1995, personally appeared Elso deJong, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity as a Co-Trustee of The Dita deJong Trust u/a/t dated 4/8/91, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.



WITNESS my hand and official seal.

Brian K. Bailey
 Notary Public for ~~Oregon~~ Cal. forms
 My Commission Expires: 5/5/98

STATE OF ^{Cal. forms} OREGON)
 County of ^{San Diego} Multnomah) ss.

On Nov 22, 1995, personally appeared Dita deJong, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity as a Co-Trustee of The Dita deJong Trust u/a/t dated 4/8/91, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.



WITNESS my hand and official seal.

Brian K. Bailey
 Notary Public for ~~Oregon~~ Cal. forms
 My Commission Expires: 5/5/98

EXHIBIT "A"

DESCRIPTION OF PROPERTY

The following described real property situate in Klamath County, Oregon:

PARCEL 1:

All those lands situated in Sections 15 and 22, Township 39 South, Range 11 E.W.M., Klamath County, Oregon, being more particularly described as follows:

Section 22: NW $\frac{1}{4}$; NE $\frac{1}{4}$ SW $\frac{1}{4}$

EXCEPTING therefrom a tract of land containing 20 acres, more or less, situated in the W $\frac{1}{2}$ of Section 22, described as follows: That portion of the East 740.00 feet of the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 22 lying South and Southwesterly of West Langell Valley Road and that portion of the East 740.00 feet of the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of said Section 22 lying South and Southwesterly of West Langell Valley Road.

Section 15: S $\frac{1}{2}$ SW $\frac{1}{4}$

ALSO: That tract of land described as follows: Beginning at a 1/2 inch iron pin from which the Northwest corner of said Section 15 bears N. 01°44'03" W. 3681.45 feet; thence S. 78°02'07" E. 174.45 feet to a 1/2 inch iron pin; thence S. 89°52'45" E. 231.30 feet to a 1/2 inch iron pin; thence S. 89°20'52" E. 801.00 feet to a 1/2 inch iron pin; thence S. 15°16'07" E. 217.00 feet to a 1/2 inch iron pin; thence continuing S. 15°16'07" E. 20 feet, more or less, to the South line of the N $\frac{1}{2}$ SW $\frac{1}{4}$ of said Section 15; thence Westerly along said line to the Southwest corner of the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 15; thence Northerly along the West line of said Section 15 to a point that bears S. 81°00'05" W. from the point of beginning; thence N. 81°00'05" E. to a 1/2 inch iron pin set in an existing North-South fence line; thence continuing N. 81°00'05" E. 76.21 feet to the point of beginning, containing 7.2 acres, more or less, with bearings based on Bowne Addition to the Town of Bonanza.

PARCEL 2:

Township 39 South, Range 11 East of the Willamette Meridian

Section 16: The SW $\frac{1}{4}$ and all of SE $\frac{1}{4}$ NW $\frac{1}{4}$ lying South of Lost River, EXCEPTING THEREFROM, the Westerly 40 feet of SW $\frac{1}{4}$ SW $\frac{1}{4}$ lying Southerly of existing County Road.

The S $\frac{1}{2}$ SE $\frac{1}{4}$ Less that portion heretofore deeded to Klamath County, Oregon, for road purposes.

Section 17: That part of the S $\frac{1}{2}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$ Lying South and Easterly of Lost River.

The SE $\frac{1}{4}$ SW $\frac{1}{4}$ and SE $\frac{1}{4}$ lying North of Harpold Road

Section 20: That portion of the NE $\frac{1}{4}$ lying North of Harpold Road.

The N $\frac{1}{2}$ NW $\frac{1}{4}$ and SW $\frac{1}{4}$ NW $\frac{1}{4}$ lying East of Lost River.

Section 21: The N $\frac{1}{2}$ NE $\frac{1}{4}$ and SE $\frac{1}{4}$ NE $\frac{1}{4}$

PARCEL 3:

A fraction of Sections 9 and 16, Township 39 S.R. 11 E.W.M., included within the following described parcels:

All those portions of Vacated Bowne Addition to the Town of Bonanza described as follows:

The West 12½ feet of Lots 2 and 23 and all of Lots 3 to 22 inclusive in Block 48;

Lots 1 to 18 inclusive and Lots 23 and 24 in Block 49;

Lots 13 to 24 inclusive in Block 50;

All of Block 67;

Lots 3 to 24 inclusive in Block 68;

Lots 3 to 22 inclusive and the West 4.5 feet of Lot 23 in Block 69;

The West 4.5 feet of Lots 2 and 23 and Lots 3 to 22 inclusive in Block 76;

All of Block 77;

All of Block 78;

Also those portions of Streets and Alleys which attach to said Lots and Blocks by operation of Law By Order of Vacation shown in Vol. 191, page 421, Deed Records of Klamath County, Oregon, including all of Vacated Park Ave. between the centerline of Union St. and the centerline of Price St.

SAVING AND EXCEPTING from the above those portions of Blocks 48 and 49 and Vacated Seattle Ave. lying Northerly of the following described line: Beginning at a point in the alley in Block 50 which bears S. 0°08' E. 141.56 feet from the Northwest corner of Lot 6 in said Block 50; thence S. 89°44'50" E., 326.97 feet; thence S. 76°54'14" E., 518.98 feet to a point on the East line of the W½ of Lot 23, said Block 48.

ALSO SAVING AND EXCEPTING the North 30 feet of Lots 3 and 4 in Block 69 of said Vacated Bowne Addition.

ALSO: Beginning at the corner common to Sections 9, 10, 15 and 16, Township 39 S.R. 11 E.W.M., which point is on the centerline of Carroll Avenue as platted on Bowne Addition to the Town of Bonanza, thence North along said centerline 330 feet, more or less, to its intersection with the centerline of Union St.; thence West along the centerline of Union St. 1110 feet, more or less, to the West line of Park Ave., thence South along the West line of Park Ave., and said West line extended, 710 feet, more or less, to the center of Lost River; thence Northeasterly and Easterly along the center of Lost River to the East line of said Section 16; thence North along said Section line a distance of 250 feet, more or less, to the point of beginning.

SAVING AND EXCEPTING the East 45 feet of said parcel heretofore conveyed to Klamath County by Deed recorded November 28, 1947, in Vol. 214, page 247, Deed Records of Klamath County, Oregon, for Road Purposes.

All that portion of the NE¼ of Section 16 lying Southerly of the center of Lost River; the N½SE¼ of Section 16, LESS portion deeded for road described in Vol. 74, page 71, Deed Records of Klamath County, Oregon, all in Township 39 S.R. 11 E.W.M.

PARCEL 4:

Lots 19, 20, 21, and 22 in Block 49 of Vacated Bowne Addition to the Town of Bonanza. Also those portions of the streets and alleys which attach to the aforesaid lots by operation of law through the order of vacation shown in Book 191 page 421, Deed records of Klamath County, Oregon.

PARCEL 5:

Lots 1 and 2 in Block 68 of Vacated Bowne Addition to the Town of Bonanza. Also those portions of the streets and alleys which attach to the aforesaid lots by operation of law through the order of vacation shown in Book 191 page 421, Deed records of Klamath County, Oregon.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Klamath County Title Company the 1st day
of December A.D., 19 95 at 3:48 o'clock P. M., and duly recorded in Vol. M95,
of Mortgages on Page 32995.

Bernetha G. Letsch, County Clerk

FEE \$55.00

By

Annette Mueller