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Vol. 1997 Page 12167

STATE OF OREGON

UNIFORM COMMERCIAL CODE

FINANCING STATEMENT

REAL PROPERTY - Form UCC-1A

THIS FORM FOR COUNTY FILING OFFICER USE ONLY

This FINANCING STATEMENT is presented to the county filing officer pursuant to the Uniform Commercial Code.

1A. Debtor Name(s): 4232801 McVay Farms, Inc.	2A. Secured Party Name(s): Kerns Irrigation, Inc.	4A. Assignee of Secured Party (if any): Diversified Financial Services, Inc.
1B. Debtor Mailing Address(es): 21592 Drazil Road Malin, OR 97632	2B. Address of Secured Party from which security information is obtainable: 4360 Highway 39 Klamath Falls, OR 97603	4B. Address of Assignee: 11213 Davenport, Suite 303 Omaha, NE 68154

3. This financing statement covers the following types (or items) of property (check if applicable):

- SEE ATTACHED EXHIBIT "A"  
 The goods are to become fixtures on: \_\_\_\_\_  
 The above timber is standing on: \_\_\_\_\_  
 The above minerals or the like (including gas and oil) or accounts will be financed at the wellhead or minehead of the well or mine located on: (describe real estate) 1-Model 8000 Valley Irrigation Center Pivot 1304' W/Valley Supplied Acc., Acc., Freight & Installation (non-towable), 1480' 10" PVC Class 100 PIP; 1480' PVC Installation W/2 Concrete Thrust Blocks & Other Misc., 1-Cornell 5RB 60 HP Pump Motor; TB2000 Trash Blaster Screen; Spare Tire  
 and the financing statement is to be filed for record in the real estate records. (If the debtor does not have an interest of record) The name of a record owner is: McVay Farms, Inc.

Check box if products of collateral are also covered

Number of attached additional sheets: \_\_\_\_\_

Debtor hereby authorizes the Secured Party to record a carbon, photographic or other reproduction of this form, financing statement or security agreement as a financing statement under ORS Chapter 79.  
 Signature of the debtor required in most cases.  
 Signature(s) of Secured Party in cases covered by ORS 79.4020

By: McVay Farms, Inc.  
 [Signature] President  
 Required signature(s)

- INSTRUCTIONS**
- PLEASE TYPE THIS FORM.
  - If the space provided for any item(s) on this form is inadequate, the item(s) should be continued on additional sheets. Only one copy of such additional sheets need to be presented to the county filing officer. DO NOT STAPLE OR TAPE ANYTHING TO THIS FORM.
  - This form (UCC-1A) should be recorded with the county filing officers who record real estate mortgages. This form cannot be filed with the Secretary of State. Send the Original to the county filing officer.
  - After the recording process is completed the county filing officer will return the document to the party indicated. The printed termination statement below may be used to terminate this document.
  - The RECORDING FEE must accompany the document. The fee is \$5 per page.
  - Be sure that the financing statement has been properly signed. Do not sign the termination statement (below) until this document is to be terminated.

Recording Party contact name: \_\_\_\_\_  
 Recording Party telephone number: \_\_\_\_\_  
 Return to: (name and address)  
 Diversified Financial Services, Inc.  
 11213 Davenport, Suite 303  
 Omaha, NE 68154

Please do not type outside of bracketed area.

**TERMINATION STATEMENT**

This statement of termination of financing is presented for filing pursuant to the Uniform Commercial code. The Secured Party no longer claims a security interest in the the financing statement bearing the recording number shown above.

By: \_\_\_\_\_  
 Signature of Secured Party(ies) or Assignee(s)

cb/10-

12168

This exhibit is attached to and made a part of the Deed of Trust signed by McVay Farms, Inc. dated July 18, 1996.

Exhibit A

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

TOWNSHIP 41 SOUTH, RANGE 12 EAST OF THE WILLAMETTE MERIDIAN

Section 14: A tract of land in the SW 1/4 SE 1/4 of Section 14, Township 41 South, Range 12 East of the Willamette Meridian more particularly described as follows: Commencing at the Northeast corner of said SW 1/4 SE 1/4 of Section 14; thence West along the North line of said SW 1/4 SE 1/4 of said Section 14, 950.5 feet to a point; thence South at right angles to North line of said SW 1/4 SE 1/4 of said Section 14 to a point on the North boundary of the Dalles-California Highway; thence Southeasterly along the Northerly boundary of said highway to the intersection with the East boundary of said SW 1/4 SE 1/4 of said Section 14; thence North along the East boundary of said SW 1/4 SE 1/4 to the point of beginning.

A tract of land in the SW 1/4 SE 1/4 of Section 14, Township 41 South, Range 12 East of the Willamette Meridian, more particularly described as follows: Beginning at a point on the North boundary of said SW 1/4 SE 1/4 of said Section 14, 950.5 feet West of the Northeast corner of said SW 1/4 SE 1/4; thence South at right angles to the North line of said SW 1/4 SE 1/4, 249.5 feet to a point; thence West and parallel to the North boundary of said SW 1/4 SE 1/4, 18.5 feet to a point; thence North and parallel to the East boundary of the herein described tract 249.5 feet to a point on the North boundary of said SW 1/4 SE 1/4; thence East 18.5 feet to the point of beginning.

The SE 1/4 NE 1/4 lying Southwest of the Low Line Canal, and the SW 1/4 NE 1/4 and N 1/2 SE 1/4.

LESS AND EXCEPTING the following described portion thereof: Beginning at the Southwest corner of the NW 1/4 SE 1/4 of said Section 14 and running thence North 200 feet; thence East 180 feet; thence South 200 feet; thence West 180 feet to the point of beginning, all in Section 14, Township 41 South, Range 12 East of the Willamette Meridian.

LESS AND EXCEPTING that portion conveyed to Alice Johnson by Bargain and Sale Deed from Johnson Stock Co., an Oregon corporation, dated February 19, 1996, recorded March 25, 1996 in Volume M96 page 6153, Deed records of Klamath County, Oregon.



STATE OF OREGON : COUNTY OF KLAMATH: ss.

Filed for record at request of Diversified Financial Services the 22nd day of April A.D., 19 97 at 1:34 o'clock P. M., and duly recorded in Vol. M97 of Mortgages on Page 12167

FEE \$10.00

by Bernetha G. Letsch County Clerk  
Kathleen Ross