

After recording return to:

Northwest Farm Credit Services, ACA
PO Box 148
Klamath Falls, OR 97601

Customer/Note No. 22764/442

MEMORANDUM OF LOAN MODIFICATION AGREEMENT

Whiskey Creek Timber Company, a corporation, James M. Dahm and Phyllis C. Dahm, husband and wife, Robert W. Mezger and Patricia C. Mezger, husband and wife, ("Borrower"), whose address is 4764 Glenwood Drive, Klamath Falls, Oregon 97603, and Northwest Farm Credit Services, ACA, whose address is West 601 First Avenue, P.O. Box TAF-C5, Spokane, Washington 99220-4005 ("Lender") entered into that certain Loan Modification Agreement signed on June 27, 1997 ("Agreement") to amend the Note dated April 29, 1996, and any amendments thereto (the "Original Note") and Deed(s) of Trust dated April 29, 1996, recorded on April 29, 1996, as Instrument No(s). 17154 in Book M96, Page 12007, records of Klamath County(ies), State of Oregon, and any amendments thereto (the "Loan Documents"), encumbering the real and/or personal property described therein, reference to which is made for the terms and the description of property. This Memorandum is an abstract of the Agreement. The Agreement provides for the indexing and adjustment of the interest rate, payment terms or balance due on the obligation evidenced by the Original Note and Loan Documents. The Agreement shortens the final maturity date to January 1, 2017. The Original Note as amended by the Agreement is hereinafter referenced as the "Note." The interest rate, payment terms or balance due under the Note and Loan Documents may be indexed, adjusted, renewed or renegotiated.

Dated: June 27, 1997

Whiskey Creek Timber Company

By:

James M. Dahm, President

Attest:

Robert W. Mezger, Secretary

James M. Dahm

Phyllis C. Dahm

Robert W. Mezger

Patricia C. Mezger

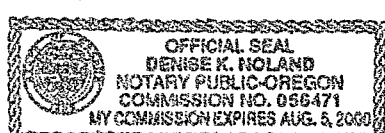
20-

STATE OF OREGON)

)ss.

County of Klamath)

On this 27 day of June, 1997, before me personally appeared James M. Dahm, known to me to be the President, respectively, of the corporation that executed the within instrument, and acknowledged to me that such corporation executed the same as its free act and deed; and each on oath stated that he/she was authorized to execute said instrument.



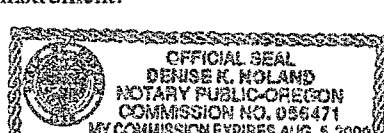
Denise K. Noland
Notary Public for the State of Oregon
Residing at Klamath Falls, Oregon
My commission expires August 5, 2000

STATE OF OREGON)

)ss.

County of Klamath)

On this 26 day of June, 1997, before me personally appeared Robert W. Mezger, known to me to be the Secretary, respectively, of the corporation that executed the within instrument, and acknowledged to me that such corporation executed the same as its free act and deed; and each on oath stated that he/she was authorized to execute said instrument.



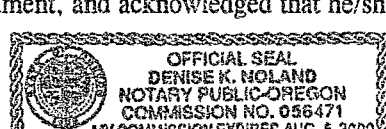
Denise K. Noland
Notary Public for the State of Oregon
Residing at Klamath Falls, Oregon
My commission expires August 5, 2000

STATE OF OREGON)

)ss.

County of Klamath)

On this 27 day of June, 1997, before me personally appeared James M. Dahm, to me known to be the person(s) described in and who executed the within instrument, and acknowledged that he/she executed the same as his/her free act and deed.



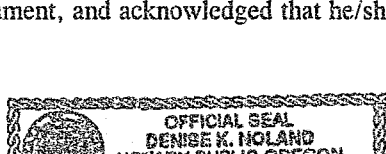
Denise K. Noland
Notary Public for the State of Oregon
Residing at Klamath Falls, Oregon
My commission expires August 5, 2000

STATE OF OREGON)

)ss.

County of Klamath)

On this 27 day of June, 1997, before me personally appeared Phyllis C. Dahm, to me known to be the person(s) described in and who executed the within instrument, and acknowledged that he/she executed the same as his/her free act and deed.



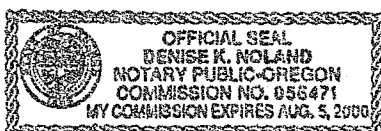
Denise K. Noland
Notary Public for the State of Oregon
Residing at Klamath Falls, Oregon
My commission expires August 5, 2000

STATE OF OREGON)

)ss.

County of Klamath)

On this 24 day of June, 1997, before me personally appeared Robert W. Mezger, to me known to be the person(s) described in and who executed the within instrument, and acknowledged that he/she executed the same as his/her free act and deed.



Denise K. Noland
Notary Public for the State of Oregon
Residing at Klamath Falls, Oregon
My commission expires August 5, 2000

STATE OF OREGON)

)ss.

County of Klamath)

On this 26 day of June, 1997, before me personally appeared Patricia C. Mezger, to me known to be the person(s) described in and who executed the within instrument, and acknowledged that he/she executed the same as his/her free act and deed.



Denise K. Noland
Notary Public for the State of Oregon
Residing at Klamath Falls, Oregon
My commission expires August 5, 2000

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Northwest Farm Credit Services the 3rd day of July A.D., 19 97 at 10:22 o'clock A. M., and duly recorded in Vol. M97 of Mortgages on Page 20772.

FEE \$20.00

By Bernetha G. Letsch County Clerk
R. Allen R. 2000