

97 JUL 16 AS 4

WHEN RECORDED MAIL TO:

U. S. BANK
PL-7 OREGON COMMERCIAL LOAN SERVICING
555 S. W. OAK
PORTLAND, OR 97204

434-5804351135

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY



MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST IS DATED JUNE 11, 1997, BETWEEN MCVAY FARMS, INC. (referred to below as "Grantor"), whose address is 21592 BRAZIL RD., MALIN, OR 97532 and U. S. BANK (referred to below as "Lender"), whose address is PL-7 OREGON COMMERCIAL LOAN SERVICING, 555 S. W. OAK, PORTLAND, OR 97204.

DEED OF TRUST. Grantor and Lender have entered into a Deed of Trust dated July 18, 1996 (the "Deed of Trust") recorded in KLAMATH County, State of Oregon as follows:

DEED OF TRUST RECORDED JULY 18, 1996 IN VOLUME M96 AT PAGE 21520 OF THE MORTGAGE RECORDS OF 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:

See Exhibit "A" attached hereto and by this reference incorporated herein.

The Real Property or its address is commonly known as STASTNY ROAD, MALIN, OR 97632.

MODIFICATION. Grantor and Lender hereby modify the Deed of Trust as follows:

THE FOLLOWING PARAGRAPH TO BE INCLUDED IN THE DEED OF TRUST: LINE OF CREDIT INSTRUMENT. (a) THIS DEED OF TRUST IS A LINE OF CREDIT INSTRUMENT. (b) THE MAXIMUM PRINCIPAL AMOUNT TO BE ADVANCED PURSUANT TO THE NOTE IS \$1,011,360.00.

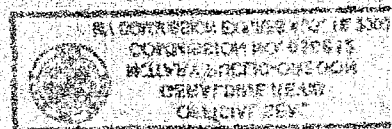
TO INCLUDE THE FOLLOWING NOTE: THE WORD "NOTE" MEANS THE NOTE DATED JUNE 11, 1997 IN THE PRINCIPAL AMOUNT OF \$811,360.00 FROM MC VAY FARMS, INC. TO LENDER, TOGETHER WITH ALL RENEWALS, EXTENSIONS, MODIFICATIONS, REFINANCINGS, AND SUBSTITUTIONS FOR THE NOTE. THE MATURITY DATE OF THE NOTE IS DECEMBER 31, 1997. THE RATE OF INTEREST ON THE NOTE IS SUBJECT TO INDEXING, ADJUSTMENT, RENEWAL, OR RENEGOTIATION.

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 any 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 Lender to retain as liable all parties to the Deed of Trust and all parties, makers and endorsers 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 this 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:

MCVAY FARMS, INC.
BY: *[Signature]* Ron D. McVay Pres.

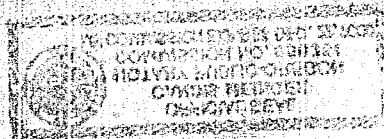


LENDER:

U. S. BANK

BY: *[Signature]* *[Signature]*

ASSISTING CLERK

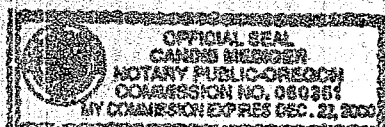


COMBINATION OF DEED OF TRUST

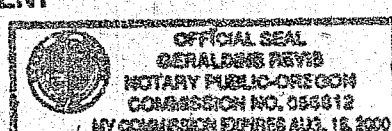
MODIFICATION OF DEED OF TRUST

553350

CORPORATE ACKNOWLEDGMENT

STATE OF Oregon)
COUNTY OF Klamath) ssOn this 12 day of Jan, 1997, before me, the undersigned Notary Public, personally appearedof MCVAY FARMS, INC., and known to me to be authorized agent(s) of the corporation that executed the Modification of Deed of Trust and acknowledged the Modification to be the free and voluntary act and deed of the corporation, by authority of its Bylaws or by resolution of its board of directors, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute this Modification and in fact executed the Modification on behalf of the corporation.By Geraldine Rye
Notary Public in and for the State of OregonResiding at Klamath Falls
My commission expires 12-22-2000

LENDER ACKNOWLEDGMENT

STATE OF Oregon)
COUNTY OF Klamath) ssOn this 12 day of Jan, 1997, before me, the undersigned Notary Public, personally appearedGeraldine Rye and known to me to be the agent authorized agent for the Lender, that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of the said Lender, duly authorized by the Lender through its board of directors or otherwise, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this said instrument and that the seal affixed is the corporate seal of said Lender.By Geraldine Rye
Notary Public in and for the State of OregonResiding at Klamath Falls
My commission expires Aug. 18, 2000

LASEA PRO, Reg. U.S. Pat. & T.M. Off., Ver. 3.25 (6/1997) CP ProSeries, Inc. All rights reserved. (01-0232 MCVAY3.LN 01.0VL)

MODIFICATION OF DEED OF TRUST

NOTARY PUBLIC
STATE OF OREGON
MY COMMISSION EXPIRES
12-22-2000

WHEN RECORDED WITH TO:

41102

55358

This Exhibit "A" is attached to and by this reference is made part of this Modification of Deed of Trust dated June 11, 1997, executed in connection with a loan or other financial accommodations between U.S. Bank and McVay Farms, Inc.

22330

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 its 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 8153, Deed records of Klamath County, Oregon.

Grantor: McVay Farms, Inc.

By: *Ron S. McVay* President
Authorized Officer Title

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of U.S. Bank the 16th day
of July A.D., 19 97 at 9:41 o'clock A.M., and duly recorded in Vol. M97
of Mortgages on Page 22328.

FEE \$20.00

By Bernetha G. Letsch, County Clerk
Kathleen Ross