

'97 JUL 16 AM 41

WHEN RECORDED MAIL TO:

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

434-5804357135

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY



MODIFICATION OF MORTGAGE

THIS MODIFICATION OF MORTGAGE IS DATED JUNE 11, 1997, BETWEEN SHASTA VIEW PRODUCE, INC. (referred to below as "Grantor"), whose address is MICKA RD., MALIN, OR 97632; 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.

MORTGAGE. Grantor and Lender have entered into a mortgage dated April 3, 1987 (the "Mortgage") recorded in KLAMATH County, State of Oregon as follows:

MORTGAGE RECORDED JUNE 5, 1987 IN VOLUME 187 AT PAGE 0733 OF THE MORTGAGE RECORDS OF KLAMATH COUNTY, OREGON.

REAL PROPERTY DESCRIPTION. The Mortgage covers the following described real property (the "Real Property") located in KLAMATH County, State of Oregon:

The NE 1/4 NW 1/4 of Section 9, Township 41 South, Range 12 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

EXCEPTING THEREFROM, .9 acres for road as described in Klamath County Deeds, Volume 153 at Page 582, located in Section 9, Township 41 South, Range 12 East of the Willamette Meridian.

The Real Property or its address is commonly known as MICKA RD., MALIN, OR 97632.

MODIFICATION. Grantor and Lender hereby modify the Mortgage as follows:

THE FOLLOWING PARAGRAPH TO BE INCLUDED IN THE MORTGAGE: LINE OF CREDIT INSTRUMENT. (a) THIS MORTGAGE IS A LINE OF CREDIT INSTRUMENT. (b) THE MAXIMUM PRINCIPAL AMOUNT TO BE ADVANCED PURSUANT TO THE NOTE IS \$1,280,049.57.

TO INCLUDE THE FOLLOWING NOTE: THE WORD "NOTE" MEANS THE NOTE DATED JUNE 11, 1997 IN THE PRINCIPAL AMOUNT OF \$811,360.00 FROM MCYAY 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 Mortgage 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 Mortgage as changed above nor oblige 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 Mortgage (the "Note"). It is the intention of Lender to retain as liable all parties to the Mortgage 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 Mortgage 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 MORTGAGE, AND EACH GRANTOR AGREES TO ITS TERMS.

GRANTOR:

SHASTA VIEW PRODUCE, INC.

By:

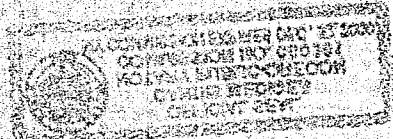
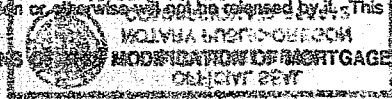
AUTHORIZED OFFICER, TITLE

LENDER:

U. S. BANK

By:

Authorized Officer



COUNTY OF KLAMATH, OREGON

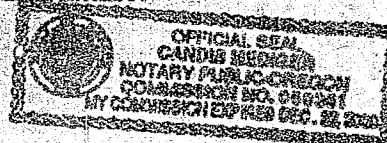
(C) 1997

MODIFICATION OF MORTGAGE

22332

CORPORATE ACKNOWLEDGMENT

STATE OF Oregon)
COUNTY OF Klamath) ss



On this 12 day of June, 1997, before me, the undersigned Notary Public, personally appeared

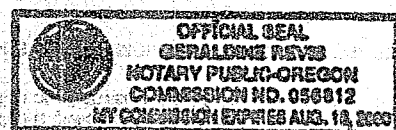
Ronald C. McVay
AUTHORIZED OFFICER OF SHASTA VIEW PRODUCE, INC., and known to me to be authorized agent(s) of the corporation that executed the Modification of Mortgage and acknowledged the Modification to be the free and voluntary act and deed of the corporation, by authority of its Bylaws or by resolution 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 Nevis
Notary Public in and for the State of Oregon

Residing at Klamath Falls
My commission expires 12.22.2000

LENDER ACKNOWLEDGMENT

STATE OF Oregon)
COUNTY OF Klamath) ss



On this 12 day of June, 1997, before me, the undersigned Notary Public, personally appeared
Geraldine Nevis and known to me to be the Notary, 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 Nevis
Notary Public in and for the State of Oregon

Residing at Klamath Falls
My commission expires Aug 18 2000

LASER PRO, Reg. U.S. Pat. & T.M. Off., Ver. 3.23 (c) 1997 CFI ProServe, Inc. All rights reserved. [OR-0201 MCVAY2LN Ct. OVI.]

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 22334

FEE \$15.00

By Bernetha G. Letsch, County Clerk
Kathleen Rose

MODIFICATION OF MORTGAGE



RECORDED BY
JUL 16 1997
CLERK OF COUNTY OF Klamath
JUL 16 1997
WHEN RECORDED PAGE 10