

WHEN RECORDED MAIL TO:

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

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

ATC 982046
 MODIFICATION OF MORTGAGE

THIS MODIFICATION OF MORTGAGE IS DATED JANUARY 28, 1998, BETWEEN MCVAY FARMS, INC., RONALD C. MCVAY and BARBARA A. MCVAY (referred to below as "Grantor"), whose address is 21592 DRAZIL, MALIN, OR 97632-9722; and U. S. BANK NATIONAL ASSOCIATION (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 County, State of Oregon as follows:

MORTGAGE RECORDED APRIL 9, 1987 IN VOLUME 587 PAGE 894 VOLUME 587 PAGE 8728 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 County, State of Oregon:

SEE ATTACHED EXHIBIT A

The Real Property or its address is commonly known as 21592 DRAZIL, MALIN, OR 97632-9722. The Real Property tax identification number is CODE 16 MAP #4012-3200 TL #1600 KEY #628057, CODE 16 MAP #4012-3200 TL #1600 KEY #628084, CODE 16 MAP #4012-3200 TL #1700 KEY #628083.

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

THE LINE OF CREDIT INSTRUMENT IS HEREBY AMENDED TO READ: (b) THE MAXIMUM PRINCIPAL AMOUNT TO BE ADVANCED PURSUANT TO THE NOTE IS \$1,336,149.57.

TO INCLUDE THE FOLLOWING NOTE: THE NOTE DATED JANUARY 28, 1998 IN THE PRINCIPAL AMOUNT OF \$55,502.00 FROM MCVAY FARMS, INC. TO LENDER, TOGETHER WITH ALL RENEWALS, EXTENSIONS, MODIFICATIONS, REFINANCINGS AND SUBSTITUTIONS FOR THE NOTE.

THE MATURITY DATE OF THE NOTE DATED JUNE 11, 1997 IN THE PRINCIPAL AMOUNT OF \$311,360.00 HAS BEEN EXTENDED TO AUGUST 31, 1998.

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 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 Mortgage (the "Note"). It is the intention of Lender to retain as valid as part of the Mortgage and all parties, makers and endorses 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

Ronald C. McVay
 MCVAY FARMS, INC.

Ronald C. McVay
 RONALD C. MCVAY

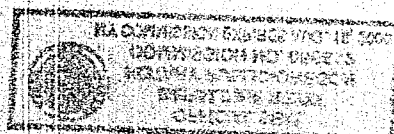
Barbara A. McVay
 BARBARA A. MCVAY

LENDER:

U. S. BANK NATIONAL ASSOCIATION

Paul J. Thompson
 Authorized Officer

This instrument is being recorded as an accommodation only, and has not been examined as to validity, sufficiency or effect it may have upon the herein described property. This courtesy recording has been requested of ARDEN TITLE & ESCROW, INC.



INDIANAN VCKMOMFEDOMENI

(continued)

MODIFICATION OF MORTGAGE

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5000 5

4342

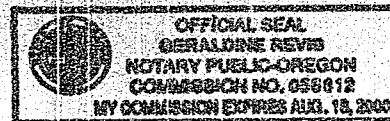
CORPORATE ACKNOWLEDGMENT

STATE OF

Oregon

) ss

COUNTY OF

KlamathOn this 29 day of January, 1998, before me, the undersigned Notary Public, personally appeared

Ronald C. McVay, President
of 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 Revis

Residing at

Klamath Falls, Oregon

Notary Public in and for the State of

Oregon

My commission expires

Aug. 18, 2000

THIS EXHIBIT A IS ATTACHED TO AND BY THIS REFERENCE IS MADE A PART OF THE MODIFICATION OF MORTGAGE DATED JANUARY 26, 1998, EXECUTED IN CONNECTION WITH A LOAN OR OTHER FINANCIAL ACCOMMODATIONS BETWEEN U.S. BANK NATIONAL ASSOCIATION AND MCVAY FARMS, INC.

EXHIBIT A

McVay Farms:

Township 42 South, Range 12, East of the Willamette Meridian, Klamath County, Oregon.
 Section 32: SW 1/4 SW 1/4; the following described portion of the NW 1/4 SW 1/4: Beginning at the Southeast corner of the NW 1/4 of said Section 32; thence North, along the East boundary of the NW 1/4 of the SW 1/4 of said Section to a point 245.00 feet North of the High Line Canal of the Shasta View Irrigation District; thence West, parallel with the North boundary of the NW 1/4 of the SW 1/4 of said Section to the West Boundary of said Section 32; thence South, along said Section boundary to the Southwest corner of the NW 1/4 of the SW 1/4 of said Section 32; thence East, along the South boundary of the NW 1/4 of the SW 1/4 of said Section to the point of beginning.

Parcel 2:

Township 40 South, Range 12, East of the Willamette Meridian, Klamath County, Oregon.
 Section 32: SE 1/4 SW 1/4; SW 1/4 SE 1/4, less 12 acres off the North side of said SW 1/4 SE 1/4 being a strip of land 395 feet wide.

Ronald C. and Barbara A. McVay:

Parcel 3:

The NE 1/4 NW 1/4; S 1/2 NW 1/4; N 1/2 SW 1/4, Section 9 Township 41 South, Range 12, East of the Willamette Meridian, Klamath County, Oregon.

McVay Farms, Inc.

By Ronald C. McVay Title

x Ronald C. McVay
 Ronald C. McVay

x Barbara A. McVay ^{W.B.M.}
 Barbara A. McVay

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Aspen Title & Escrow the 10th day
 of February A.D., 19 98 at 2:13 o'clock P. M., and duly recorded in Vol. M98
 of Mortgages on Page 4340

FEE \$25.00

By Bernetha G. Letsch, County Clerk
Kathleen Hoad