

WHEN RECORDED MAIL TO:

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

ATL 983046

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST IS DATED JANUARY 28, 1998, BETWEEN MCVAY FARMS, INC. (referred to below as "Grantor"), whose address is 21350 DRAZIL, MALIN, OR 97132-8722; 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.

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 1803 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 ATTACHED EXHIBIT A

The Real Property or its address is commonly known as STASTNY ROAD, MALIN, OR 97632. The Real Property tax identification number is ACCOUNT #4112-1403-800 KEY #109901, ACCOUNT #4112-1400-1620 KEY #101008.

MODIFICATION. Grantor and Lender hereby modify the Deed of Trust 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 \$1,338,349.57.

TO INCLUDE THE FOLLOWING NOTE: THE NOTE DATED JANUARY 28, 1998 IN THE PRINCIPAL AMOUNT OF \$55,500.00 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 \$811,360.00 HAS BEEN EXTENDED TO AUGUST 31, 1998.

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 endorers 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 change 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:

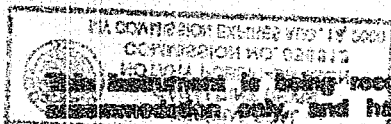
MCVAY FARMS, INC.

Ronald C. McVay President
Authorized Officer

LENDER:

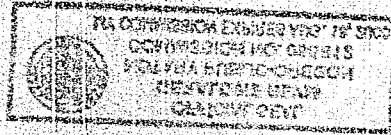
U. S. BANK NATIONAL ASSOCIATION

David J. Thompson V.P.
Authorized Officer



This instrument is being recorded as an accommodation only, and has not been entered as to validity, sufficiency or effect it may have upon the herein described property.

This conveyance recording has been requested of ALVIN TITEL & ESCROW, INC.



COPIES OF THIS INSTRUMENT

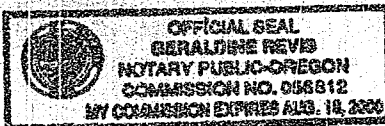
MODIFICATION OF DEED OF TRUST

983046

1/28/98

CORPORATE ACKNOWLEDGMENT

STATE OF Oregon)
COUNTY OF Klamath) ss



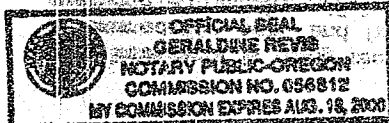
On this 29 day of January, 1998, before me, the undersigned Notary Public, personally appeared Geraldine Revis, President of MC VAY FARMS, INC., and known to me to be authorized agent(s) of the corporation that executed the Modification of Deed of Trust and acknowledged the Modification to be the free 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
Notary Public in and for the State of Oregon

Residing at Klamath Falls, Oregon
My commission expires Aug. 18, 2000

LENDER ACKNOWLEDGMENT

STATE OF Oregon)
COUNTY OF Klamath) ss



On this 29 day of January, 1998, before me, the undersigned Notary Public, personally appeared Blair Stephenson and known to me to be the Officer 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 Revis
Notary Public in and for the State of Oregon

Residing at Klamath Falls, Oregon
My commission expires Aug. 18, 2000

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MODIFICATION OF DEED OF TRUST

1998

THIS INSTRUMENT WAS RECORDED IN THE

BOOKED ON PAGE
PAGE NO.
THIS INSTRUMENT CONTAINS NO FORM REVISIONS
IT IS A VALID INSTRUMENT

WHEN RECORDED MAY 10

25230

25 10 10 10 10

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THIS EXHIBIT A IS ATTACHED TO AND BY THIS REFERENCE IS MADE A PART OF THE MODIFICATION OF DEED OF TRUST DATED JANUARY 26, 1992, EXECUTED IN CONNECTION WITH A LOAN OR OTHER FINANCIAL ACCOMMODATIONS BETWEEN U.S. BANK NATIONAL ASSOCIATION AND MCVAY FARMS, INC.

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 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 SW 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 23, 1996 in Volume M96 page 8153, Deed records of Klamath County, Oregon.

McVay Farms, Inc.

By Ronald C. McVay Pres.
Title

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 4346

FEE \$20.00

By Bernetha G. Letsch, County Clerk
Kathleen Basal