

RECORDATION REQUESTED BY:

98 JUL 14 A9:58

Washington Mutual Bank doing business as Western Bank
421 South 7th Street
P.O. Box 669
Klamath Falls, OR 97601-0322

WHEN RECORDED MAIL TO:

Washington Mutual Bank doing business as Western Bank
421 South 7th Street
P.O. Box 669
Klamath Falls, OFI 97601-0322

SEND TAX NOTICES TO:

Terry L. Drazil and Donna F. Drazil
30200 Demeritt Road
Malin, OR 97632

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

LANDLORD'S CONSENT

THIS LANDLORD'S CONSENT is entered into among Terry L. Drazil and Donna F. Drazil ("Borrower"), whose address is 30200 Demeritt Road, Malin, OR 97632; Washington Mutual Bank doing business as Western Bank ("Lender"), whose address is 421 South 7th Street, P.O. Box 669, Klamath Falls, OR 97601-0322; and Richard Rajnus & Denise Paulsen ("Landlord"), whose address is 29387 Demeritt Road, Malin, OR 97632. Borrower and Lender have entered into, or are about to enter into, an agreement whereby Lender has acquired or will acquire a security interest or other interest in the Collateral. Some or all of the Collateral may be affixed or otherwise become located on the Premises. To induce Lender to extend the Loan to Borrower against such security interest in the Collateral and for other valuable consideration, Landlord hereby agrees with Lender and Borrower as follows.

DEFINITIONS. The following words shall have the following meanings when used in this Agreement. Terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code. All references to dollar amounts shall mean amounts in lawful money of the United States of America.

Agreement. The word "Agreement" means this Landlord's Consent, as this Landlord's Consent may be amended or modified from time to time, together with all exhibits and schedules attached to this Landlord's Consent from time to time.

Borrower. The word "Borrower" means Terry L. Drazil and Donna F. Drazil.

Collateral. The word "Collateral" means certain of Borrower's personal property in which Lender has acquired or will acquire a security interest, including without limitation the following specific property:

All Accounts, Chattel Paper, General Intangibles, Equipment, Inventory, Crops, Farm Products, Livestock and Farm Equipment, including but not limited to All titled vehicles now owned or hereafter acquired.

Landlord. The word "Landlord" means Richard Rajnus & Denise Paulsen. The term "Landlord" is used for convenience purposes only. Landlord's interest in the Premises may be that of a fee owner, lessor, sublessor or lienholder, or that of any other holder of an interest in the Premises which may be, or may become, prior to the interest of Lender.

Lease. The word "Lease" means that certain lease of the Premises, dated April 23, 1998, between Landlord and Borrower.

Lender. The word "Lender" means Washington Mutual Bank doing business as Western Bank, its successors and assigns.

Loan. The word "Loan" means the loan, or any other financial accommodations, Lender has made or is making to Borrower.

Premises. The word "Premises" means the real property located in Klamath County, State of Oregon, commonly known as Agricultural Property, Malin, OR 97632, and legally described as:

TS41 S, R12 E of Will MD, SEC 17, GOVT LOTS 1 & 2 SEC 8; SE 1/4 SE 1/4.

DISCLAIMER OF INTEREST. Landlord hereby consents to Lender's security interest (or other interest) in the Collateral and disclaims all interests, liens and claims which Landlord now has or may hereafter acquire in the Collateral. Landlord agrees that any lien or claim it may now have or may hereafter have in the Collateral will be subject at all times to Lender's security interest (or other present or future interest) in the Collateral and will be subject to the rights granted by Landlord to Lender in this Agreement.

ENTRY ONTO PREMISES. Landlord and Borrower grant to Lender the right to enter upon the Premises for the purpose of removing the Collateral from the Premises or conducting sales of the Collateral on the Premises. The rights granted to Lender in this Agreement will continue until a reasonable time after Lender receives notice in writing from Landlord that Borrower no longer is in lawful possession of the Premises. If Lender enters onto the Premises and removes the Collateral, Lender agrees with Landlord not to remove any Collateral in such a way that the Premises are damaged, without either repairing any such damage or reimbursing Landlord for the cost of repair.

MISCELLANEOUS PROVISIONS. This Agreement shall extend to and bind the respective heirs, personal representatives, successors and assigns of the parties to this Agreement. The covenants of Borrower and Landlord respecting subordination of the claim or claims of Landlord in favor of Lender shall extend to, include, and be enforceable by any transferee or endorsee to whom Lender may transfer any claim or claims to which this Agreement shall apply. Lender need not accept this Agreement in writing or otherwise to make it effective. This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon. If Landlord is other than an individual, any agent or other person executing this Agreement on behalf of Landlord represents and warrants to Lender that he or she has full power and authority to execute this Agreement on Landlord's behalf. Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is in writing and signed by Lender. Without notice to Landlord and without affecting the validity of this Consent, Lender may do or not do anything it deems appropriate or necessary with respect to the Loan, any obligations on the Loan, or any Collateral for the Loan; including without limitation extending, renewing, rearranging, or accelerating any of the Loan indebtedness. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not constitute a waiver of or prejudice Lender's right otherwise to demand strict compliance with that provision or any other provision. Whenever consent by Lender is required in this Agreement, the granting of such consent by Lender in any one instance shall not constitute continuing consent to subsequent instances where such consent is required.

15-

06-19-1998
Loan No 0101LANDLORD'S CONSENT
(Continued)

EACH BORROWER AND LANDLORD ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS LANDLORD'S CONSENT, AND EACH BORROWER AND LANDLORD AGREES TO ITS TERMS. THIS AGREEMENT IS DATED JUNE 19, 1998.

BORROWER:

X Terry L. Drazil
Terry L. Drazil

X Donna F. Drazil
Donna F. Drazil

LANDLORD:

Richard Rajnus & Denise Paulsen

X Richard Rajnus & Denise Paulsen
Landlord's Signature

LENDER:

Washington Mutual Bank doing business as Western Bank

By: Bridgette Hoff Smith
Authorized Officer

LENDER ACKNOWLEDGMENT

STATE OF OREGON)
COUNTY OF KLAMATH) SS



On this 23 day of JUNE, 1998, before me, the undersigned Notary Public, personally appeared BRIDGETTE GRIFFIN SMITH, known to me to be the BUSINESS BANKING 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 Michelle Temple Residing at 421 S. 7th St. Klamath Falls, OR 97601
Notary Public in and for the State of OREGON My commission expires NOV. 11, 2001

INDIVIDUAL ACKNOWLEDGMENT

STATE OF OREGON)
COUNTY OF KLAMATH) SS

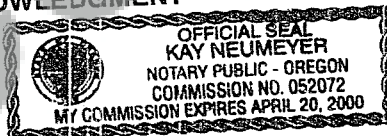


On this day before me, the undersigned Notary Public, personally appeared Terry L. Drazil and Donna F. Drazil, to me known to be the individuals described in and who executed the Landlord's Consent, and acknowledged that they signed the Agreement as their free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 23 day of JUNE, 1998.
By Michelle Temple Residing at 421 S. 7th St. Klamath Falls, OR 97601
Notary Public in and for the State of OREGON My commission expires NOV. 11, 2001

LANDLORD ACKNOWLEDGMENT

STATE OF Oregon)
COUNTY OF Klamath) SS



On this day before me, the undersigned Notary Public, personally appeared Richard Rajnus & Denise Paulsen, to me known to be the individual described in and who executed the Landlord's Consent, and acknowledged that he or she signed the Agreement as his or her free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 24th day of June, 1998.
By Kay Neumeyer Residing at 2514 Main St. Medford, Or.
Notary Public in and for the State of Oregon My commission expires April 20, 2000

STATE OF OREGON: COUNTY OF KLAMATH: SS.

Filed for record at request of _____ the 14th day
of July A.D., 1998 at 9:58 o'clock A M., and duly recorded in Vol. 1998
of _____ on Page 25162
_____ Mortgages
Bernetha G. Letsch, County Clerk

By Kathleen Brown

FEE \$15.00