

After recording return to:
Northwest Farm Credit Services
P.O. Box 148
Klamath Falls, OR 97601

Customer/Note No. 3492/341

K-42290
MEMORANDUM OF LOAN MODIFICATION AGREEMENT

Manuel J. Bettencourt and Delores M. Bettencourt ("Borrower"), whose address is 18590 Highway 140E, Dairy, OR 97625, and Northwest Farm Credit Services, ACA successor by merger to Farm Credit Bank of Spokane, whose address is 1700 S. Assembly, PO Box 2515, Spokane, WA 99220-2515 ("Lender") entered into that certain Loan Modification Agreement signed on September 30, 1998 ("Agreement") to amend the Note dated September 18, 1990, and any amendments thereto (the "Original Note") and Mortgage(s) dated September 18, 1990, recorded on October 5, 1990, as Instrument No(s). 21110 in Book M90, Page 20191, records of Klamath County(ies), State of Oregon, and any amendments thereto (the "Loan Documents"), encumbering the real and/or personal property described therein, reference to which is made for the terms and the description of property. This Memorandum is an abstract of the Agreement. The Agreement provides for the indexing and adjustment of the interest rate, payment terms or balance due on the obligation evidenced by the Original Note and Loan Documents. The Original Note as amended by the Agreement is hereinafter referenced as the "Note." The interest rate, payment terms or balance due under the Note and Loan Documents may be indexed, adjusted, renewed or renegotiated.

The legal description of the property to which this Agreement applies is attached hereto and incorporated herein as Exhibit "A."

Dated: September 30, 1998

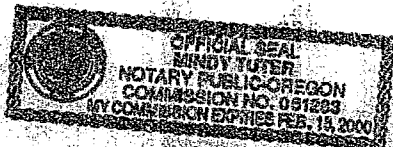
Manuel J. Bettencourt
Manuel J. Bettencourt

Delores M. Bettencourt
Delores M. Bettencourt

Rene J. Hargrave
Northwest Farm Credit Services, ACA,
Successor by merger to Farm Credit
Bank of Spokane

STATE OF OREGON)
) ss.
County of Klamath)

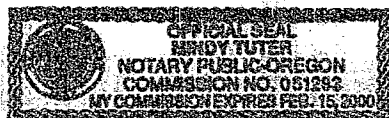
On this 30th day of September, 1998, before me personally appeared Manuel J. Bettencourt, known to me to be the person described in and who executed the within instrument, and acknowledged that she executed the same as her free act and deed.



Mindy Tuter
Notary Public for Oregon
Residing at Klamath Falls
My commission expires 2-15-2000

STATE OF OREGON)
) ss.
 County of Klamath)

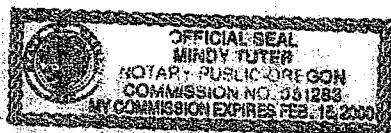
On this 30th day of September, 1998, before me personally appeared Delores M. Bettencourt, known to me to be the person described in and who executed the within instrument, and acknowledged that he executed the same as his free act and deed.



Mindy Tuter
 Notary Public for Oregon
 Residing at Klamath Falls
 My commission expires 2-15-2000

STATE OF OREGON)
) ss.
 County of Klamath)

On this 1st day of October, 1998, before me personally appeared Ranse L. Herzinger, known to me to be an authorized agent of Northwest Farm Credit Services, ACA, successor by merger to the Farm Credit Bank of Spokane, that executed the within instrument, and acknowledged to me that such corporation executed the same as its free act and deed and on oath stated that he was authorized to execute said document.



Mindy Tuter
 Notary Public for Oregon
 Residing at Klamath Falls
 My commission expires 2-15-2000

EXHIBIT "A"

FCB No. 3492 341

Lot 4, E1/2SW1/4, S1/2SE1/4 and NW1/4SE1/4 of Section 31, Township 38 South, Range 11-1/2 East of the Willamette Meridian.

Lots 1, 2, and 3 of Section 6, Township 39 South, Range 11-1/2 East of the Willamette Meridian.

A piece or parcel of land situate in the S1/2NE1/4 of Section 6, Township 39 South, Range 11-1/2 East of the Willamette Meridian, and more particularly described as follows: Beginning at a point North 89°50'-1/2' West 613.6 feet from the Northeast corner of the SE1/4NE1/4 of said Section 6; thence South 29°10' West 269.4 feet; thence South 85°39'-1/2' West 606.2 feet; thence North 86°05' West 569.7 feet; thence North 29°38' West 278.9 feet; thence North 60°10' West 8.4 feet to a point on the Northerly boundary of the S1/2NE1/4 of said Section 6; thence South 89°50'-1/2' East 1449.4 feet, more or less, to the point of beginning.

A piece or parcel of land situate in Lot 4, Section 6, Township 39 South, Range 11-1/2 East of the Willamette Meridian, and more particularly described as follows: Beginning at the Northwestern corner of said Lot 4; thence along the Northerly boundary of said Lot 4, South 89°50'-1/2' East 549.4 feet to the Northeast corner of said Lot 4; thence South 0°08' West 511 feet; thence North 57°25' West 651 feet to the Westerly boundary of said Lot 4; thence North 0°07' East 161.9 feet, more or less, to the point of beginning.

EXCEPTING, however, the following described property: A piece or parcel of land situate in Lots 2 and 3, Section 6, Township 39 South, Range 11-1/2 East of the Willamette Meridian, and more particularly described as follows: Beginning at the Southwest corner of said Lot 3; thence South 89°50'-1/2' East 1831.5 feet along the Southerly boundaries of said Lots 2 and 3 to a point in the Southerly boundary of said Lot 2; thence North 60°10' West 959.2 feet; thence North 75°31' West 1031.2 feet to a point in the Westerly boundary of said Lot 3; thence along the Westerly boundary of said Lot 3, South 0°08' West 730 feet, more or less, to the point of beginning.

ALSO EXCEPTING a piece or parcel of land situate in Lot 1, Section 6, Township 39 South, Range 11-1/2 East of the Willamette Meridian, and more particularly described as follows: Beginning at a point 30.3 feet West of the Southeast corner of said Lot 1, in the Westerly road right of way fence of the county road running Northerly along the Easterly boundary of said Lot 1; thence North 0°09'-1/2' East along said County Road right of way 866.9 feet; thence South 46°44'-1/2' West 295.3 feet; thence South 29°10' West 759.6 feet to the South boundary of said Lot 1; thence Easterly along said Southerly boundary of Lot 1, South 89°50'-1/2' East 583.3 feet, more or less, to the point of beginning.

Together with a 75 HP U.S. Electrical electric motor and Delta panel with a Johnson turbine pump and an unknown HP unknown electric motor and Westinghouse panel with a Byron Jackson turbine pump; and any replacements thereof, all of which are hereby declared to be appurtenant thereto.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of First American Title the 5th day of October A.D., 19 98 at 11:23 o'clock A M., and duly recorded in Vol. M98 of Mortgages on Page 36500.

FEE \$20.00

By Bernetha G. Letsch, County Clerk
Kathleen