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GRANTORS:

MCVAY FARM, INC., an Oregon Corporation
c/o Ronald C. McVay
21592 Drazil Road
Malin, Oregon 97632

SHASTA VIEW PRODUCE, INC., an Oregon Corporation
c/o Ronald C. McVay
21592 Drazil Road
Malin, Oregon 97632

MICHAEL K. MCVAY & SUZAN K. MCVAY, husband and wife
PO Box 376
Malin, Oregon 97632

GRANTEE:

MONY LIFE INSURANCE COMPANY, a New York Corporation
1740 Broadway
New York, New York 10019

AFTER RECORDING RETURN TO:

Lee C. Nusich, Esq.
Lane Powell Spears Lubersky LLP
601 SW Second Avenue, Suite 2100
Portland, Oregon 97204-3158

**UNTIL A CHANGE IS REQUESTED, ALL
TAX STATEMENTS SHALL BE SENT TO
THE FOLLOWING ADDRESS:**

MONY LIFE INSURANCE COMPANY
4412 74th Street, Suite F100
Lubbock, Texas 79424

BARGAIN AND SALE DEED IN LIEU OF FORECLOSURE

In this instrument:

(1) "Grantors" collectively means: MCVAY FARMS, INC., an Oregon corporation, SHASTA VIEW PRODUCE, INC., an Oregon corporation, MICHAEL K. MCVAY & SUZAN K. MCVAY, husband and wife.

(2) "Grantee" means: MONY LIFE INSURANCE COMPANY, a New York corporation.

(3) The "Property" means: The real property in Klamath County more particularly described in Exhibit A, which is attached hereto and incorporated herein as if set forth in full.

The true and actual consideration for this Deed as required by ORS 93.030 is other value given.

RECITALS

(1) Title to the Property is held by: (a) MCVAY FARMS, INC. as to PARCELS 1-4 and 8 as described on Exhibit A; (b) SHASTA VIEW PRODUCE, INC. as to PARCELS 5 and 6 as described on Exhibit A; and (c) MICHAEL K. MCVAY and SUZAN K. MCVAY as to PARCEL 7 as described on Exhibit A.

(2) Title is subject to encumbrances of record and an Oregon Mortgage and Security Agreement in favor of THE MUTUAL LIFE INSURANCE COMPANY OF NEW YORK described as:

an Oregon Mortgage and Security Agreement, recorded on June 29, 1998, Volume M98, page 22913, in the real property records of Klamath County, Oregon, and re-recorded on August 14, 1998, Volume M98, page 30009, in the real property records of Klamath County.

(3) Grantors are unable to pay their obligations to Grantee and have asked Grantee to accept an absolute deed of conveyance of the Property and to forebear action against Grantors on the Promissory Note and Guaranty Agreement which are secured by the Mortgage and Security Agreement.

GRANT

NOW, THEREFORE, Grantors grant, bargain, sell, and convey to Grantee and to Grantee's successors and assigns all of the Property,

TOGETHER WITH all buildings, improvements, fixtures, and permanent plantings located therein or thereon or appurtenant thereto, all other equipment now or hereafter attached to and used in connection therewith; all rights-of-way, easements, tenements, hereditaments, remainders, reversions, privileges, and appurtenances thereunto belonging, however evidenced, which are used or enjoyed with said real property or belonging to the same or which hereafter may be acquired and so used or enjoyed.

TOGETHER WITH all water and water rights, whether riparian, appropriative or otherwise and whether or not appurtenant, all ditch and ditch rights and any shares of stock, licenses, or permits evidencing such water or ditch rights, and all wells, reservoirs, dams,

embankments or fixtures, including, but not limited to, those water rights more particularly described on Exhibit B attached hereto and incorporated herein by this reference.

TOGETHER WITH (i) all potato handling, storage, washing, and processing fixtures and equipment, now or hereafter located on or used in connection with the real property described in Exhibit A, including, but not limited to, humidifiers, fans, ventilation pipe, and cooling units; and (ii) all sprinklers, sprinkler heads and risers, sprinkler systems, center pivots, wheel lines, handlines, delivery systems, pumps and pumping plants, motors, mainlines, laterals, and all other irrigation equipment now owned by Grantors or used in connection with the property described in Exhibit A, and any and all allied equipment, including by way of example, but not by way of limitation, electrical panels, control boxes, wiring, pipes, valves, elbows, couplers, flanges, reducers, plugs, risers, and sprinklers.

TOGETHER WITH all right, title, and interest of Mortgagors, if any, in and to the land lying in the bed of any street, road, or avenue, opened or proposed, in front of or adjoining the property described in Exhibit A to the center line thereof.

Grantors also grant to Grantee all of Grantors' right, title, and interest in any reserve accounts on any other obligations secured by the Property from other lenders and releases any interest in those reserve accounts.

Grantors warrant that all funds held as security deposits or other deposits on behalf of any tenant in the property have been accounted for and remitted to Grantee.

This Deed is absolute in effect and conveys to Grantee fee simple title in the Property. This Deed does not operate as a mortgage, trust deed, trust conveyance, or security device of any kind.

Grantors acknowledge that the debt secured by the Mortgage and Security Agreement is subject to immediate foreclosure by Grantee, that Grantors are unable to pay or cure the defaults, and that therefore Grantors desire to avoid litigation by granting this Deed in Lieu of Foreclosure.

Grantors waive, surrender, convey, and relinquish any equity of redemption and statutory rights of redemption concerning the Property and the Mortgage and Security Agreement.

Grantors are not acting under misapprehension as to the legal effect of this Deed or under duress, undue influence, or misrepresentation by Grantee, Grantee's agent, or attorney or by any other person.

By acceptance of this Deed, Grantee covenants and agrees that Grantee shall forever forebear taking any action whatsoever to collect against Grantors on the note or guaranty agreement secured by the Mortgage and Security Agreement described above, other than by foreclosure of the Mortgage and Security Agreement, and that in any proceeding to foreclose that Mortgage and Security Agreement Grantee shall not seek, obtain or permit a deficiency judgment against Grantors, or any of them.

The true and actual consideration for this transfer consists of Grantee's waiver of Grantee's right to a judgment against Grantors under the promissory note and guaranty agreement secured by the Mortgage and Security Agreement. Grantee may retain all payments previously made on the secured debt with no duty to account therefore.

Grantee does not expressly or impliedly agree to assume or to pay any principal balance of the aforesaid promissory note or of any other debt, lien, charge or obligation which relates to or is attributable to the Property.

Grantors acknowledge that the Mortgage and Security Agreement is valid, subsisting and binding and shall remain in full force and effect.

This Deed does **not** effect a merger of the fee ownership and the lien of the Mortgage and Security Agreement described above. The fee and the lien shall hereafter remain separate and distinct. Grantee reserves Grantee's rights to foreclose the Mortgage and Security Agreement at any time as to any party with any claim, interest or lien on the Property.

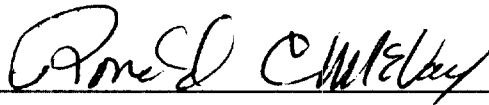
In construing this Deed, and where the context so requires, the singular includes the plural, and all grammatical changes shall be implied to make provisions of this instrument applicable equally to corporations, limited liabilities companies, and to individuals.

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES AND TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930.

IN WITNESS WHEREOF, Grantors have executed this instrument as follows:

MCVAY FARMS, INC.

Date: 10-22-01

By: 

STATE OF OREGON)
) ss.
COUNTY OF Klamath)

On this 10th day of October, 2001, the said president did personally appear before me and did acknowledge that he is the President of McVay Farms, Inc. and the foregoing instrument is the free act and deed of the corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.



Kristin A. Bienz
Notary Public for Oregon
My commission expires: 11.15.2004

SHASTA VIEW PRODUCE, INC.

Date: 10-22-01

By: Ronald C. McVay

STATE OF OREGON)
COUNTY OF Klamath) ss.

On this 10th day of October, 2001, the said president did personally appear before me and did acknowledge that he is the President of Shasta View Produce, Inc. and the foregoing instrument is the free act and deed of the corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.



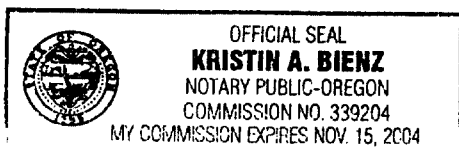
Kristin A. Bienz
Notary Public for Oregon
My commission expires: 11.15.2004

Date: 10/23/01

Michael K. McVay
Michael K. McVay

STATE OF OREGON)
COUNTY OF Klamath) ss.

This instrument was acknowledged before me on October 23, 2001, by Michael K. McVay.



Kristin A. Bienz
Notary Public for Oregon
My commission expires: 11/15/2004

55168

Date: 10-23-01

Suzan K. McVay
Suzan K. McVay

STATE OF OREGON)
COUNTY OF Klamath) ss.

This instrument was acknowledged before me on October 23, 2001, by Suzan K. McVay.



Kristin A. Bienz
Notary Public for Oregon
My commission expires: 11/15/2004

Title to the estate or interest in the land is vested, as of the effective date in:

McVAY FARMS, INC., AN OREGON CORPORATION,
AS TO PARCELS 1-4 & 8

55169

SHASTA VIEW PRODUCE, INC., AN OREGON CORPORATION,
AS TO PARCELS 5 AND 6

MICHAEL K. McVAY and SUZAN K. McVAY, AS TENANTS BY THE ENTIRETY,
AS TO PARCEL 7

The land referred to

is described as follows:

PARCEL 1:

The S1/2 NW1/4; N1/2 SW1/4, Section 9, Township 41 South, Range 12 East of the Willamette Meridian, Klamath County, Oregon.

EXCEPTING THEREFROM that portion lying within public roads and that portion lying within the USBR "D" Canal.

PARCEL 2:

Township 40 South, Range 12 East of the Willamette Meridian, Klamath County, Oregon.

Section 32: SW1/4 SW1/4; the following described portion of the NW1/4 SW1/4; beginning at the Southeast corner of the NW1/4 of the SW1/4 of said Section 32; thence North, along the East boundary of the NW1/4 of the SW1/4 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 NW1/4 of the SW1/4 of said Section to the West boundary of said Section 32; thence South, along said Section boundary to the Southwest corner of the NW1/4 of the SW1/4 of said Section 32; thence East, along the South boundary of the NW1/4 of the SW1/4 of said Section to the point of beginning.

PARCEL 3:

Township 40 South, Range 12 East of the Willamette Meridian, Klamath County, Oregon.

Section 32: SE1/4 SW1/4; SW1/4 SE1/4, less 12 acres off the North side of said SW1/4 SE1/4 being a strip of land 396 feet wide.

PARCEL 4:

The SE1/4 NE1/4 lying Southwest of the Low Line Canal, and the SW1/4 NE1/4 and N1/2 SE1/4.

EXCEPTING THEREFROM the following described portion thereof: Beginning at the Southwest corner of the NW1/4 SE1/4 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.

ALSO EXCEPTING THEREFROM: Beginning at the Southwest corner of the Northwest Quarter of the Southeast Quarter of said Section 14; thence Northerly along the West line of the Northwest Quarter of the Southeast Quarter of said Section 14, to a point that is 640.00 feet, measured perpendicular to the South line of the Northwest Quarter of the Southeast Quarter of said Section 14; thence Easterly, parallel to the South line of the Northwest quarter of the Southeast Quarter of said Section 14, to a point that is 395.00 feet, measured

- Continued -

EXHIBIT A PAGE 1 OF 2

PARCEL 4 (continued):

perpendicular to the West line of the Northwest Quarter of the Southeast Quarter of said Section 14; thence Southerly, parallel with the West line of the Northwest Quarter of the Southeast Quarter of said Section 14, 640.00 feet, measured perpendicular to the South line of the Northwest Quarter of the Southeast Quarter of said Section 14; thence Westerly along the South line of the Northwest Quarter of the Southeast Quarter of said Section 14, 395.00 feet, measured perpendicular to the West line of the Northwest Quarter of the Southeast Quarter of said Section 14, to the point of beginning.

PARCEL 5:

The NE1/4 NW1/4 of Section 9, Township 41 South, Range 12 East of the Willamette Meridian, Klamath County, Oregon, EXCEPTING THEREFROM that portion for road as described in Klamath County Deeds, Volume 153 page 588, located in Section 9, Township 41 south, Range 12 East of the Willamette Meridian.

PARCEL 6:

Beginning at the Southwest corner of the SW1/4 NE1/4 of Section 10, Township 41 South, Range 12 East of the Willamette Meridian; thence North along the West line of said SW1/4 NE1/4 a distance of 468 feet; more or less, to the Southerly right of way line of the low Line Canal of the Malin Irrigation District, as now constructed across said SW1/4 NE1/4, thence Southeasterly along the Southerly boundary line of said Canal to the intersection with the South line of said SW1/4 NE1/4; thence West along the South line of said SW1/4 NE1/4 a distance of 712 feet, more or less, to the point of beginning.

PARCEL 7:

The NW1/4 NW1/4 of Section 9 and the NE1/4 NE1/4 of Section 8, Township 41 South, Range 12 East of the Willamette Meridian, Klamath County, Oregon.

EXCEPTING THEREFROM that portion lying within the boundaries of Micka County Road #1078.

PARCEL 8:

The South 1/2 of the Northwest 1/4 of Section 14, Township 41 South, Range 12 East of the Willamette Meridian, Klamath County, Oregon, less that portion conveyed to Klamath County for roads.

WATER RIGHTS

55171

TRACT 1

94 acres Shasta View Water Company
52 acres Klamath Irrigation District (KID)

TRACT 2

94 acres Shasta View Water Company

TRACT 3

122.83 acres Shasta View Water District

TRACT 4

145.29 acres Malin Irrigation District

TRACT 5

4.2 acres Malin Irrigation District

SUPPLEMENTAL WATER RIGHTS

G-14256	261.3 ACRES	2/29/96
G-14266	120.7 ACRES	2/29/96
G-14264	76.8	2/29/96

Mcvay Farms
Equipment and Water Right List

State of Oregon, County of Klamath
Recorded 10/30/01 at 10:02 A m.
In Vol. M01 Page 55163
Linda Smith,
County Clerk Fee\$ 61.00