

Loan No. F-98136600

1st 661667

MODIFICATION AGREEMENT

THIS AGREEMENT is made as of this 13th day of December, 2005 between U.S. BANK NATIONAL ASSOCIATION, C/O RABO AGRIFINANCE, INC., located and having its principal office at ONE CITYPLACE, SUITE 200; ST. LOUIS, MO 63141 ("Lender") and CHARLES G. KERR (whether one or more, "Mortgagor").

WITNESSETH:

WHEREAS, Lender is the holder of a note dated March 4, 1999 for SEVEN HUNDRED EIGHTY THOUSAND Dollars (\$780,000.00) ("Note") made by CHARLES G. KERR (whether one or more, "Borrower"), secured by a mortgage, deed of trust, or security deed ("Mortgage") of even date therewith executed by Mortgagor to Lender and recorded on March 15, 1999 Volume M99 Page 9410 as document 76204 and re-recorded on March 17, 1999 in Volume M99 on page 9002 as Document #76396 in the records of KLAMATH COUNTY, OREGON, which mortgage was assigned to U.S. Bank Trust National Association as Custodian/Trustee by assignment dated March 10, 1999 and recorded March 15, 1999 in Volume M99, Page 9009 as document number 76205 and re-recorded March 17, 1999 in Volume M99, page 9418 as document 76397.

WHEREAS, on January 11, 2002, "U.S. Bank Trust National Association" merged with and into "U.S. Bank National Association" and the resulting company is known as "U.S. Bank National Association"; and

Prior to a simultaneous partial release upon the Note there is unpaid the sum of \$710,829.45 with interest on the interest bearing sum of \$710,829.45 from JANUARY 01, 2005, at the rate of 7.97 per centum per annum; and

WHEREAS, the parties hereto are desirous of modifying the Note and Mortgage in the particulars hereinafter mentioned.

NOW THEREFORE, in consideration of the premises and of the mutual promises herein contained, and of the sum of One Dollar (\$1.00) duly paid to Lender, it is hereby mutually covenanted and agreed that the terms of the Note and Mortgage be and the same are hereby modified as follows:

1. Mortgagor and Borrower hereby authorize Lender, without obtaining the signature of Mortgagor or Borrower, to file financing statements or amendments to existing financing statements in order to perfect the lien granted by the Mortgage.
2. Mortgagor and Borrower represent and warrant that Mortgagor's exact legal name is as set forth in the first paragraph of this Agreement.


3. All of the provisions of the Note and Mortgage shall remain in full force and effect except as herein specifically modified and this Agreement is made upon the express condition that the Mortgagor is vested with the fee simple title to the premises covered by the Mortgage. And the said Mortgagor in consideration of the granting of this modification further covenants and agrees to pay and comply with the terms and conditions of the Note and Mortgage as herein modified, and nothing herein contained shall invalidate any of the security now held for the payment of said debt. This Agreement shall bind the parties, their heirs, legal representatives, successors and assigns.
4. In recognition of a partial release and coinciding principal pay down simultaneous with this modification; the standard payment is being changed from \$36,215.92 to \$19,240.11 due July 1, 2006 and each January 1 and July 1 thereafter until the Maturity Date, July 1, 2014.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

PRESENT BENEFICIARY:

U.S. BANK NATIONAL ASSOCIATION
SUCCESSOR BY MERGER TO
U.S. BANK TRUST NATIONAL ASSOCIATION
AS CUSTODIAN/TRUSTEE

BY: Rabo Agrifinance, Inc.
Not personally, but as Attorney-In-Fact


BY: G. Michael Smith, Sr. Vice President

STATE OF MISSOURI)
) SS:
COUNTY OF ST. LOUIS)

BE IT REMEMBERED, that on this 13th day of December, 2005, before me, a Notary Public in and for the County and State aforesaid, personally appeared G. MICHAEL SMITH, Sr. Vice President, of Rabo Agrifinance, Inc., as Attorney-in-Fact for U.S. Bank National Association, successor by merger to U.S. Bank Trust National Association who is personally known to me to be the said officer of said corporation, and the same person who executed the foregoing instrument, and he duly acknowledged the execution of the same for and on behalf of and as the act and deed of said corporation as Attorney-in-Fact for U.S. Bank National Association, successor by merger to U.S. Bank Trust National Association.

IN WITNESS WHEREOF, I have hereunto subscribed my name affixed my official seal, on the day and year last above written.

Sandra Siebert, Notary Public

My commission expires:

Sandra Siebert
Notary Public - Notary Seal
STATE OF MISSOURI
St. Louis County
My Commission Expires: June 20, 2007

ATTEST:

[Signature]
Assistant Secretary

CONSENTED TO BY BORROWER AND MORTGAGOR:

Charles G. Kerr
Charles G. Kerr

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Initials C. G. K.