

2007-015370

Klamath County, Oregon



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08/30/2007 11:26:07 AM

Fee: \$81.00

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AND WHEN RECORDED MAIL TO:
Pepple Johnson Cantu & Schmidt, PLLC
1900 Seattle Tower Building
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Seattle, WA 98101

80133

[SPACE ABOVE THIS LINE FOR RECORDER'S USE]

MODIFICATION OF DEED OF TRUST
ASSIGNMENT OF RENTS AND LEASES,
SECURITY AGREEMENT AND FIXTURE FILING

THIS MODIFICATION OF DEED OF TRUST, ASSIGNMENT OF RENTS AND LEASES, SECURITY AGREEMENT AND FIXTURE FILING (this "Modification"), is entered into as of August 30, 2007, by and between COLLINS TIMBER COMPANY LLC, an Oregon limited liability company ("Borrower") and AMERICAN AGCREDIT, FLCA, an Agricultural Credit Association chartered pursuant to the Farm Credit Act of 1971, as amended ("AgCredit") and THE PRUDENTIAL INSURANCE COMPANY OF AMERICA, a New Jersey corporation ("Prudential" and together with AgCredit, "Lender"), in order to modify that certain Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing dated September 7, 2002, from Borrower as Trustor in favor of Lenders as Beneficiaries, recorded September 10, 2002, in Lake County, Oregon in Book 130 at Page 443, Lake County Mortgage Records, and in Klamath County, Oregon in Volume MO2, Page 51350, Klamath County Mortgage Records (herein, the "Deed of Trust"). The Deed of Trust encumbers the Land in Lake County and Klamath County, Oregon, legally described on Exhibit A attached to this Modification. Capitalized terms used but not defined herein are defined in the Deed of Trust.

Recitals

Pursuant to that certain Refinance and Loan Modification Agreement ("Refinance Agreement") of even date herewith among Borrower, Lender and Collins Pine Company, an Oregon corporation ("Collins Pine"), Lenders have agreed to make a new loan (the "Refinance Loan") to Borrower in the principal amount of \$12,500,000.00, the proceeds of which will be used in part to pay Note A in full (Note B having been previously paid in full). The Refinance Loan is evidenced by Borrower's Promissory Note ("New Note A") of even date herewith payable Prudential in the principal amount of \$10,500,000.00, and Borrower's Promissory Note ("New Note B") of even date herewith payable AgCredit in the principal amount of \$2,000,000.00. Concurrently,

8/AMT

Borrower is entering into an Amended and Restated Nonrecourse Guaranty ("Amended Nonrecourse Guaranty") in favor of Lenders, whereby Borrower guarantees a loan (the "Concurrent Refinance Loan") made by Lenders to Collins Pine in the aggregate principal amount of \$9,500,000.00 and continues its non-recourse guaranty of existing indebtedness owing by Collins Pine to Lenders in the original principal amount of \$25,000,000.00.

Borrower and Lenders are entering into this Modification in order to amend the Deed of Trust to secure New Note A and New Note B and the Amended Nonrecourse Guaranty.

Agreement

Borrower and Lenders hereby agree to modify the Deed of Trust as follows:

1. All references in the Deed of Trust to "Note A" are replaced with "New Note A" as defined above, all references in the Deed of Trust to "Note B" are replaced with "New Note B" as defined above, and all references in the Deed of Trust to the "Notes" are amended to mean "New Note A" and "New Note B" as defined above. The aggregate principal amount of the Indebtedness evidenced by the Notes has been increased from \$10,000,000.00 to \$12,500,000.00
2. All references in the Deed of Trust to the "Nonrecourse Guaranty" are replaced with the "Amended Nonrecourse Guaranty" as defined above.
3. All references in the Deed of Trust to the "Loan Administration Agreement" are amended to include the Refinance Agreement.
4. Pursuant to the Refinance Agreement, Collins Holding was released from its Guaranty of the Loan. Accordingly, all references in the Deed of Trust to "Collins Holding" are deleted and all references in the Deed of Trust to the "Guaranty Agreements" are amended to refer only to the "Amended Nonrecourse Guaranty" as defined above.
5. The terms and conditions of the Refinance Agreement are incorporated in the Deed of Trust by this reference and all references in the Deed of Trust to the "Loan Documents" are amended to include the "Refinance Loan Documents" as defined in the Refinance Agreement.

The terms and conditions of the Deed of Trust, as amended by this Modification, are hereby affirmed and ratified. This Modification is not intended and shall not be construed to impair the validity, priority or enforceability of the Deed of Trust.

This Modification may be executed in any number of counterparts and by the parties hereto on different counterparts. Each such counterpart shall be deemed to be an original and all such counterparts together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have signed this Modification as of the date first written above.

LENDERS:

THE PRUDENTIAL INSURANCE
COMPANY OF AMERICA, a New Jersey
corporation

By: R.T. Robertson
Name: R.T. ROBERTSON
Title: VICE PRESIDENT

AMERICAN AGCREDIT, FLCA, an
Agricultural Credit Association chartered
pursuant to the Farm Credit Act of 1971, as
amended

By: _____
Name: _____
Title: _____

BORROWER:

COLLINS TIMBER COMPANY LLC, an
Oregon limited liability company

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the parties have signed this Modification as of the date first written above.

LENDERS:

THE PRUDENTIAL INSURANCE
COMPANY OF AMERICA, a New Jersey
corporation

By: _____
Name: _____
Title: _____

AMERICAN AGCREDIT, FLCA, an
Agricultural Credit Association chartered
pursuant to the Farm Credit Act of 1971, as
amended

By: *James Cooper*
Name: JAMES COOPER
Title: VICE PRESIDENT

BORROWER:

COLLINS TIMBER COMPANY LLC, an
Oregon limited liability company

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the parties have signed this Modification as of the date first written above.

LENDERS:

THE PRUDENTIAL INSURANCE
COMPANY OF AMERICA, a New Jersey
corporation

By: _____
Name: _____
Title: _____

AMERICAN AGCREDIT, FLCA, an
Agricultural Credit Association chartered
pursuant to the Farm Credit Act of 1971, as
amended

By: _____
Name: _____
Title: _____

BORROWER:

COLLINS TIMBER COMPANY LLC, an
Oregon limited liability company

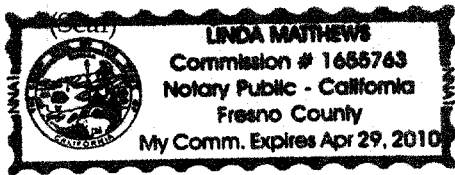
By: Marilyn R Hendrick
Name: MARILYN R. HENDRICK
Title: VP of Finance & CFO

Prudential Acknowledgment

STATE OF CALIFORNIA)
) ss
COUNTY OF Fresno)

On August 27, 2007, before me, Linda Matthews, personally appeared R. T. Robertson, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/~~she~~/~~they~~ executed the same in his/~~her~~/~~their~~ authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.



Linda Matthews
Signature of Notary

AgCredit Acknowledgment

STATE OF CALIFORNIA)
) ss
COUNTY OF _____)

On August __, 2007, before me, _____, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

(Seal)

Signature of Notary

Prudential Acknowledgment

STATE OF CALIFORNIA)
) ss
COUNTY OF _____)

On August __, 2007, before me, _____, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

(Seal)

Signature of Notary

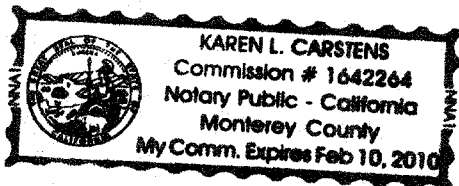
AgCredit Acknowledgment

STATE OF CALIFORNIA)
) ss
COUNTY OF Monterey)

On August 22, 2007, before me, Karen L. Carstens, personally appeared James Cooper, personally known to me ~~(or proved to me on the basis of satisfactory evidence)~~ to be the person whose name is subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

(Seal)



Karen L. Carstens
Signature of Notary

Borrower Acknowledgment

STATE OF OREGON

) SS

COUNTY OF MULTNOMAH

The foregoing instrument is acknowledged before me this 23rd day of August, 2007, by Marilyn Hendrick the CFO of COLLINS TIMBER COMPANY LLC, an Oregon limited liability company, on its behalf.

Before me:

Notary Public in and for the State of
Oregon,

residing at 1340 SW 2nd Ave

Name (printed or typed): James D. Garneau

My Commission Expires: 5/2/2010

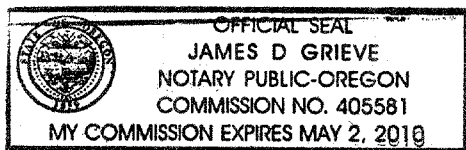


EXHIBIT A

LEGAL DESCRIPTION OF LAND

[see attached]

EXHIBIT "A"
LEGAL DESCRIPTION

PARCEL 1:

NE1/4 Section 36, Township 33 South, Range 13 East, Willamette Meridian, Klamath County, Oregon.

PARCEL 2:

NE1/4 Section 27, Township 34 South, Range 13 East, Willamette Meridian, Klamath County, Oregon.

PARCEL 3:

SW1/4 Section 19, Township 35 South, Range 13 East, Willamette Meridian, Klamath County, Oregon.

PARCEL 4:

NW1/4 Section 32, Township 35 South, Range 13 East, Willamette Meridian, Klamath County, Oregon.