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RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:

Thomas L. Palotas  
Pepple Johnson Cantu & Schmidt, PLLC  
1501 Western Avenue, Suite 600  
Seattle, WA 98101

Loan No. 717609389

[SPACE ABOVE THE LINE IS FOR RECORDER'S USE]

**MODIFICATION OF DEED OF TRUST**  
(2005 Ranch Loan, Klamath County, Oregon)

THIS MODIFICATION OF DEED OF TRUST (this "*DOT Modification*") dated July 2, 2008, is made by MICHAEL V. LaGRANDE and KRISTINE A. LaGRANDE, husband and wife, as grantor, ("*Borrower*") and THE PRUDENTIAL INSURANCE COMPANY OF AMERICA, a New Jersey corporation, as beneficiary, ("*Lender*") and modifies the Trust Deed, Security Agreement, and Fixture Filing with Assignment of Rents and Proceeds, Leases and Agreements dated February 17, 2005, executed by Borrower in favor of Lender and recorded March 4, 2005, in Volume M05 at page 14624, Microfilm Records of Klamath County, Oregon, (the "*Original Deed of Trust*", which, together with this DOT Modification, is referred to as the "*Deed of Trust*"). The Deed of Trust encumbers the real property legally described on the attached Exhibit A (the "*Land*").

The Deed of Trust is modified as follows:

1. **Note; Amount Secured.** The Deed of Trust secures the following promissory notes, and all references to "Note" in the Deed of Trust shall be deemed to include:
  - (a) The "Note" referred to in the Original Deed of Trust, which is the Promissory Note in the original principal amount of \$1,300,000 dated February 17, 2005, (sometimes referred to in other Loan Documents as the "*2005 Ranch Note*", previously Loan No. 7-609-389, now Loan No. 717609389) and executed by Borrower in favor of Lender.
  - (b) The Promissory Note in the original principal amount of \$3,000,000 dated August 31, 2007, (the "*2007 Farm Note*", Loan No. 717609874) and executed by Borrower, Kenneth M. LaGrande, and Julie LaGrande in favor of Lender.
  - (c) The Promissory Note in the original principal amount of \$3,000,000 dated the same as this DOT Modification, (the "*Yainax Ranch Note*", Loan No. 717610001) and executed by Borrower in favor of Lender.

(d) The aggregate original stated principal amount secured by the Deed of Trust is **SEVEN MILLION THREE HUNDRED THOUSAND and no/100 DOLLARS** (\$7,300,000.00).

2. **Loan Documents.**

(a) The 2007 Farm Note, the Deed of Trust, Security Agreement, and Fixture Filing with Assignment of Rents and Proceeds, Leases and Agreements dated August 31, 2007, executed by Borrower in favor of Lender and recorded August 31, 2007, under Recorder's Serial No. 2007-4716, records of Colusa County, California, and all other documents (excluding the Hazardous Substances Remediation and Indemnification Agreement dated August 31, 2007) evidencing, securing or relating to the 2007 Farm Note are referred to as the ***"2007 Farm Loan Documents".***

(b) The Yainax Ranch Note, the Trust Deed, Security Agreement, and Fixture Filing with Assignment of Rents and Proceeds, Leases and Agreements dated the same as this Agreement and encumbering property located in Klamath County, Oregon, and all other documents (excluding the Hazardous Substances Remediation and Indemnification Agreement dated the same as this Agreement) evidencing, securing or relating to the Yainax Ranch Note are referred to as the ***"Yainax Ranch Loan Documents".***

(c) "Loan Documents" as used in the Deed of Trust shall be deemed to include the Loan Modification Agreement dated the same as this DOT Modification and which amends the terms of the 2005 Ranch Note, the 2007 Farm Loan Documents and the Yainax Ranch Loan Documents.

3. **Obligations Secured.** The "Obligations" secured by the Deed of Trust include all obligations of the "Borrower" under the 2007 Farm Loan Documents and the Yainax Ranch Loan Documents.

4. **General Terms.**

(a) Borrower warrants and represents to Lender that it has full right, power and authority to enter into this DOT Modification and to perform all its obligations hereunder, and that all information and materials submitted to Lender in connection with the request for this modification contain no material misstatement or misrepresentation nor omit to state any material fact or circumstance.

(b) This document and the Loan Documents referred to in this DOT Modification constitute the entire agreement between the parties with respect to the modification of the Loan and shall not be amended, modified or terminated except by a writing signed by the party to be charged therewith.

(c) Except as modified herein, the terms and conditions of the Loan Documents and the Hazardous Substance Agreement remain in full force and effect and are

hereby affirmed and ratified. This Agreement is not intended to and shall not be construed to impair the validity, priority or enforceability of the Deed of Trust or any of the other Loan Documents.

(d) This DOT Modification may be executed in any number of counterparts, each of which shall be effective upon delivery and thereafter shall be deemed an original, and all of which shall be taken to be one and the same instrument, for the same effect as if all parties hereto had signed the same signature page. Any signature page of this DOT Modification may be detached from any counterpart of this DOT Modification without impairing the legal effect of any signatures thereon and may be attached to another counterpart of this DOT Modification identical in form hereto but having attached to it one or more additional signature pages.

*The rest of this page is left blank intentionally.*

Unofficial  
Copy

DATED as first above written.

***“Lender”***

THE PRUDENTIAL INSURANCE COMPANY  
OF AMERICA, a New Jersey corporation

By: \_\_\_\_\_  
name: \_\_\_\_\_  
title: \_\_\_\_\_

***“Borrower”***

  
MICHAEL V. LaGRANDE

  
KRISTINE A. LaGRANDE

DATED as first above written.

***“Lender”***

THE PRUDENTIAL INSURANCE COMPANY  
OF AMERICA, a New Jersey corporation

By: William K. Berg  
name: William K. Berg  
title: Vice President, Agricultural Investments

***“Borrower”***

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MICHAEL V. LaGRANDE

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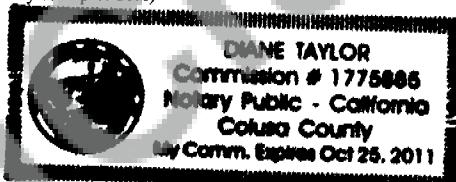
KRISTINE A. LaGRANDE

STATE OF CALIFORNIA )  
COUNTY OF Colusa )  
 ) ss.

On July 2, 2008, before me, Diane Taylor, a Notary Public, personally appeared Michael V. LaGrande, who 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 executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

(notary stamp or seal)



WITNESS my hand and official seal.

Diane Taylor  
Notary Public

## Notary Public

STATE OF CALIFORNIA )  
COUNTY OF Klamath )  
ss.

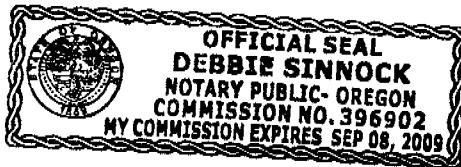
On July 3, 2008, before me, Debbie Sinnock, a Notary Public, personally appeared MICHAEL V. LaGRANDE and KRISTINE A. LaGRANDE, who proved to me on the basis of satisfactory evidence to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacity, and that by their signatures on the instrument the persons, or the entity upon behalf of which the persons acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

(notary stamp or seal)

WITNESS my hand and official seal.

Nicole Sennior  
Notary Public



STATE OF CALIFORNIA )  
COUNTY OF Placer )  
 ) ss.

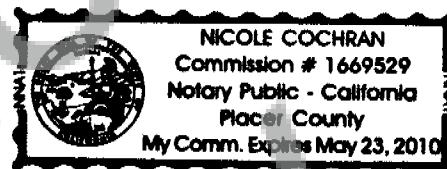
On July 3, 2008, before me, Nicole Cochran, a Notary Public, personally appeared William Beyer, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

(notary stamp or seal)

WITNESS my hand and official seal.

Nicole Cochran  
Notary Public



STATE OF CALIFORNIA )  
COUNTY OF ) ss.  
 )

On July 15, 2008, before me, Michael V. LaGrande, a Notary Public, personally appeared MICHAEL V. LaGRANDE and KRISTINE A. LaGRANDE, who proved to me on the basis of satisfactory evidence to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacity, and that by their signatures on the instrument the persons, or the entity upon behalf of which the persons acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

(notary stamp or seal)

WITNESS my hand and official seal.

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## Notary Public

**EXHIBIT A  
TO  
MODIFICATION OF DEED OF TRUST**

The Land encumbered by the Deed of Trust is situate in Klamath County, Oregon, and is legally described as follows:

Tax Account Nos.

3303-00000-03200-000, 3208-00000-03400-000, 3208-00000-03400-000,  
3308-00000-00100-000, 3308-00000-00200-000, 3308-00000-00300-000,  
3308-00000-00301-000, 3308-00000-00302-000, 3308-00000-00400-000,  
3308-00000-00500-000, 3308-00000-00800-000, 3209-00000-00500-000,  
3309-00000-00200-000, 3309-00000-00300-000, and 3309-00000-00400-000

SEE ATTACHED TWO (2) PAGES

**PARCEL 1:**

E 1/2 of the NE 1/4 of the SW 1/4 and NE 1/4 of the SE 1/4 of the SW 1/4 of Section 1, Township 33 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon.

**PARCEL 2:**

SE 1/4 of the NW 1/4 and the E 1/2 of the NW 1/4 of the NW 1/4 Section 7, Township 33 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon.

**PARCEL 3:**

The S 1/2 of the SE 1/4 of the SW 1/4, Section 1, Township 33 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon.

**PARCEL 4:**

That portion of Government Lot 4 lying South of HOG CREEK as it is presently situated, Section 1, Township 33 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon.

**PARCEL 5:**

The N 1/2 of the SW 1/4 of the NW 1/4, Section 1, Township 33 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon.

**PARCEL 6:**

Government Lot 8, Section 6, Township 33 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon.

(continued)

(Legal description continued)

**PARCEL 7:**

The S1/2 of the SE1/4; the NB1/4 of the SE1/4 and the S1/2 of the SW1/4 in Section 36, Township 32 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon.

**PARCEL 8:**

Section 1: Lots 1, 2, 3 and 5, S1/2 of the NE1/4, and the SE1/4, and the SE1/4 of the NW1/4, and that portion of Lot 4 lying North of Hog Creek, East of the Willamette Meridian, Klamath County, Oregon.

Section 12: NE1/4. All in Township 33 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon

**PARCEL 9:**

The E1/2 of the SE1/4 of Section 31 and the W1/2 of the SW1/4 of Section 32, Township 32 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon.

**PARCEL 10:**

Government Lots 3 and 4, S1/2 of the NE1/4 of the SW1/4, N1/2 of the SE1/4 of the SW1/4 and NW1/4 of the SE1/4 Section 31, Township 32 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon.