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2011-012935
Klamath County, Oregon



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Fee: \$102.00

Recording requested by, and
when recorded return to:

Parker, Hudson, Rainer & Dobbs LLP
1500 Marquis Two Tower
285 Peachtree Center Avenue, N.E.
Atlanta, Georgia 30303
Attention: Kathleen O. Currey, Esq.

ORDER
1789931

**FIRST AMENDMENT TO LINE OF CREDIT DEED OF TRUST,
ASSIGNMENT OF RENTS AND FIXTURE FILING**

NCS-418195-1

Cover Sheet

(LINE OF CREDIT INSTRUMENT)

DATE:	Executed on November 14, 2011, effective as of November 16, 2011
GRANTOR:	Peterson Machinery Co., an Oregon corporation
GRANTOR'S ADDRESS:	4421 N.E. Columbia Boulevard, Portland, Oregon 97218
TRUSTEE:	First American Title Company
TRUSTEE'S ADDRESS:	222 SW Columbia, 4th Floor, Portland, Oregon 97201
BENEFICIARY:	Caterpillar Financial Services Corporation
BENEFICIARY'S ADDRESS:	2120 West End Avenue, P.O. Box 340001, Nashville, Tennessee 37203
MAXIMUM PRINCIPAL AMOUNT THAT MAY BE ADVANCED:	\$338,025,952.80
LATEST MATURITY DATE:	November 17, 2015
COUNTY:	Klamath County
STATE:	Oregon
RECORD OWNER OF LAND:	Peterson Machinery Co., an Oregon corporation

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FIRST AMENDMENT TO CREDIT LINE DEED OF TRUST,
ASSIGNMENT OF RENTS AND FIXTURE FILING

THIS FIRST AMENDMENT TO CREDIT LINE DEED OF TRUST, ASSIGNMENT OF RENTS AND FIXTURE FILING (this "Amendment"), executed on November 14, 2011, and effective as of November 16, 2011, by and between **PETERSON MACHINERY CO.**, an Oregon corporation, as grantor ("Grantor"), and **CATERPILLAR FINANCIAL SERVICES CORPORATION**, a Delaware corporation, (together with its successors and assigns, "Beneficiary").

RECITALS:

Grantor, certain of Grantor's affiliates (such affiliates, together with Grantor, each an "Obligor" and collectively the "Obligors"), and Beneficiary previously entered into the following financing agreements: (a) that certain Amended and Restated Term Loan Agreement dated July 2, 2010 (as at any time amended, supplemented or otherwise modified prior to the date hereof, the "Existing Term Loan Agreement"), and (b) that certain Revolving Loan Agreement dated July 2, 2010 (as at any time amended, supplemented or otherwise modified prior to the date hereof, the "Existing Revolving Loan Agreement", and together with the Term Loan Agreement, each an "Existing Loan Agreement" and collectively, the "Existing Loan Agreements"). Beneficiary made certain secured term loans to Obligors pursuant to the Existing Term Loan Agreement and certain revolving credit loans to Obligors pursuant to the Existing Revolving Loan Agreement.

To secure Obligors' obligations under the Existing Loan Agreements and the other Loan Documents and Revolving Loan Documents (as such terms are defined in the Existing Term Loan Agreement), Grantor executed and delivered in favor of Beneficiary that certain Deed of Trust, Assignment of Rents and Fixture Filing dated June 29, 2010, and effective as of July 2, 2010, recorded July 6, 2010, as Document number 2010-008111 in the Official Records of Klamath County, Oregon (the "Existing Deed of Trust"), pursuant to which Grantor conveyed to Beneficiary a lien upon certain real property and improvements of Grantor lying and being in Klamath County, Oregon, as more particularly described therein and on Exhibit A attached hereto, as security for the Secured Obligations (as defined in the Existing Deed of Trust).

The Existing Loan Agreements are being amended, restated and consolidated in their entireties pursuant to that certain Amended, Restated and Consolidated Loan Agreement dated on or about the date hereof, among Grantor, the other Obligors and Beneficiary (the Existing Loan Agreements, as so amended, restated and consolidated, and as hereafter amended, restated, supplemented or otherwise modified, the "Loan Agreement"). A condition to the effectiveness of the Loan Agreement is Grantor's execution and delivery of this Amendment.

NOW, THEREFORE, for and in consideration of the premises, TEN DOLLARS (\$10.00) in hand paid and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Definitions. All capitalized terms used in this Amendment, unless otherwise defined herein, shall have the meaning ascribed to such terms in the Loan Agreement.
2. Amendments to Deed of Trust. The Deed of Trust is hereby amended as follows:
 - (a) By deleting the reference to ("Deed of Trust") in the first paragraph of the Existing Deed of Trust.
 - (b) By deleting the last sentence of the first paragraph of the Existing Deed of Trust and by substituting in lieu thereof the following:

Capitalized terms used and not otherwise defined herein shall have the respective meanings given to them in the Loan Agreement (as defined below).

(c) By deleting the second and third paragraphs of the Existing Deed of Trust and by substituting in lieu thereof the following:

Grantor, certain of Grantor's affiliates (such affiliates, together with Grantor, each an "Obligor" and collectively the "Obligors"), and Beneficiary previously entered into the following financing agreements: (a) that certain Amended and Restated Term Loan Agreement dated July 2, 2010 (as heretofore amended, restated, supplemented or otherwise modified from time to time, the "Existing Term Loan Agreement"), and (b) that certain Revolving Loan Agreement dated July 2, 2010 (as heretofore amended, restated, supplemented or otherwise modified from time to time, the "Existing Revolving Loan Agreement", and together with the Term Loan Agreement, each an "Existing Loan Agreement" and collectively, the "Existing Loan Agreements").

Pursuant to the Existing Term Loan Agreement and the Notes (as defined in the Existing Term Loan Agreement), (a) on the closing date, Beneficiary continued certain secured term loans and made certain additional secured term loans to Obligors, which continued and new terms loans had, on the closing date, an aggregate outstanding principal balance of \$326,791,610.39, and (b) after the closing date, made additional secured term loans in the aggregate original principal amount of \$37,975,927. Pursuant to the Revolving Loan Agreement, Beneficiary established a revolving line of credit facility in an aggregate principal amount not to exceed at any time outstanding \$20,000,000.

To secure Obligors' obligations under the Existing Loan Agreements and the other documents executed in connection therewith, Grantor executed and delivered to Beneficiary this Deed of Trust, Assignment of Rents and Fixture Filing dated June 29, 2010, and effective as of July 2, 2010, recorded July 6, 2010, as Document number 2010-008111 in the Official Records of Klamath County, Oregon (as at any time amended, restated, supplemented or otherwise modified, the "Deed of Trust").

Grantor and the other Obligors are also a party to a certain General Continuing Guaranty dated June 10, 2011, made by Obligors in favor of Beneficiary (at any time amended, restated, supplemented or otherwise modified, the "Guaranty"), pursuant to which Grantor and the other Obligors jointly and severally guaranteed the payment and performance of certain obligations owing to Beneficiary by Peterson Trucks, Inc., a California corporation ("Trucks"), an affiliate of Obligors.

The Existing Loan Agreements are being amended, restated and consolidated in their entireties pursuant to that certain Amended, Restated and Consolidated Loan Agreement dated November 16, 2011, among Obligors and Beneficiary (the Existing Loan Agreements, as so amended, restated and consolidated, and as hereafter amended, restated, modified or supplemented, the "Loan Agreement"). The Loan Agreement, this Deed of Trust and the other instruments and documents executed by Obligors in connection with the Loan Agreement are referred to collectively in this Deed of Trust as the "Loan Documents."

Pursuant to the Loan Agreement, Beneficiary will, subject to the terms and conditions contained therein:

(a) continue and convert (and amend certain terms of) a portion of the secured term loans outstanding under the Existing Term Loan Agreement immediately prior to the closing of the Loan Agreement into Borrowing Base Revolver Loans and provide a borrowing base revolving line of credit facility in an aggregate principal amount not to exceed \$288,360,000 less the principal amount of the Borrowing Base Term Loan outstanding on the applicable date of determination;

(b) continue (and amend certain terms of) a portion of the secured term loans outstanding under the Existing Term Loan Agreement immediately prior to the closing of the Loan Agreement into Borrowing Base Term Loans in the principal amount of \$150,000,000;

(c) continue a portion of the secured term loans outstanding under the Existing Term Loan Agreement immediately prior to the closing of the Loan Agreement as the Capital Assets/Vehicles Term Loan, Halton Fixed Assets Term Loan, and Halton Goodwill Term Loan, in the aggregate principal amount of \$14,665,952.80; and

(d) continue (and amend certain terms of) a portion of the revolving line of credit loans outstanding under the Existing Revolving Loan Agreement immediately prior to the closing of the Loan Agreement as Real Estate Borrowing Base Revolver Loans pursuant to an amended and restated real estate revolving line of credit in an aggregate principal amount not to exceed \$25,000,000.

Grantor, in order to secure the indebtedness owing by Grantor and the other Obligors to Beneficiary, and in order to induce Beneficiary to extend credit to Grantor and the other Obligors on the strength and security provided by this Deed of Trust, has agreed to execute and deliver this Deed of Trust.

(d) By deleting each reference to "the Loan Agreements" in Section 1 of the Existing Deed of Trust and by substituting in lieu of each reference thereto "the Loan Agreement".

(e) By deleting Section 2 of the Existing Deed of Trust and by substituting in lieu thereof the following:

2. Obligations Secured. This Deed of Trust secures the performance of each of the following obligations (collectively, the "Secured Obligations"):

(a) All indebtedness (including, without limitation, all principal, interest, fees and other charges) now or at any time or times hereafter owing by Grantor and the other Obligors (or any of them) to Beneficiary under the Loan Agreement, on account of:

(i) loans and extensions of credit made or to be made by Beneficiary to Grantor and the other Obligors on a revolving basis up to a maximum principal amount of (A) Borrowing Base Revolver Loans at any time equal to TWO HUNDRED EIGHTY EIGHT MILLION THREE HUNDRED SIXTY THOUSAND AND NO/100 DOLLARS

(\$288,360,000.00) less the principal amount of the Borrowing Base Term Loan outstanding on the applicable date of determination, final payment of which is due on November 17, 2015; and (B) Real Estate Borrowing Base Revolver Loans outstanding at any time equal to TWENTY FIVE MILLION AND NO/100 DOLLARS (\$25,000,000.00), final payment of which is due on November 17, 2015;

(ii) term loans by Beneficiary to Grantor and the other Obligors as evidenced by that certain Borrowing Base Term Loan Note, that certain Capital Assets/Vehicles Term Loan Note, that certain Halton Fixed Assets Term Loan Note and that certain Halton Goodwill Term Loan Note, (in each case, as amended, restated, supplemented or otherwise modified) made by Obligors to the order of Beneficiary in the aggregate initial principal amount of ONE HUNDRED SIXTY FOUR MILLION SIX HUNDRED SIXTY FIVE THOUSAND NINE HUNDRED FIFTY TWO AND 80/100 DOLLARS (\$164,665,952.80), final payment of such term loans being due and payable as follows:

(A) the term loan evidenced by the Borrowing Base Term Loan Note in the initial principal amount of \$150,000,000.00, due on or before November 17, 2015,

(B) the term loan evidenced by the Capital Assets/Vehicles Term Loan Note in the initial principal amount of \$2,772,211.68, due on or before November 17, 2012,

(C) the term loan evidenced by the Halton Fixed Assets Term Loan Note in the initial principal amount of \$7,893,741.12, due on or before July 2, 2015, and

(D) the term loan evidenced by the Halton Goodwill Term Loan Note in the initial principal amount of \$4,000,000.00, due on or before December 31, 2014;

(b) All indebtedness at any time owing under any extensions, renewals, modifications, replacements or consolidations of any of the foregoing;

(c) All indebtedness, liabilities and obligations of Grantor and the other Obligors to Beneficiary now or hereafter owing under the Guaranty, including, without limitation, the guaranty of payment of all loans and extensions of credit made from time to time by Beneficiary to Trucks, in Beneficiary's discretion, on a revolving basis up to a maximum principal amount of revolving loans outstanding at any time equal to TEN MILLION AND NO/100 DOLLARS (\$10,000,000.00);

(d) Any and all advances made by Beneficiary to protect or preserve the Property or the security interest or lien created hereby on the Property, or for Impositions (as defined below) or insurance premiums as hereinafter provided or for performance of any of Grantor's obligations hereunder or for any other purpose provided herein (whether or not Grantor remains the owner of the Property at the time of such advances);

(e) All other Obligations at any time owing by Grantor or any other Obligor to Beneficiary, however and whenever incurred or evidenced, whether express or implied, direct or indirect, absolute or contingent, or due or to become due, and all renewals, modifications, consolidations, replacements and extensions thereof; and

(f) All costs of collection of any of the foregoing Secured Obligations, including reasonable attorneys' fees and court costs if such indebtedness is collected by or through an attorney at law.

The obligations and liabilities of Grantor and certain other Obligors pursuant to that certain Environmental Indemnity Agreement dated July 2, 2010, and executed by Grantor and certain other Obligors in favor of Beneficiary, as amended and restated by that certain Amended and Restated Environmental Indemnity Agreement dated November 16, 2011 (as at any time amended, restated, supplemented or otherwise modified, the "Environmental Indemnity Agreement") are not secured by this Deed of Trust and are a separate and independent obligation.

(f) By deleting Section 3(e) of the Existing Deed of Trust and by substituting in lieu thereof the following:

(e) Termination. The assignment of the Rents to Beneficiary hereunder shall terminate and be of no further force and effect following the satisfaction in full of all Secured Obligations and termination of the Loan Agreement.

(g) By deleting each reference to "Loan Agreements" in Section 5(i) of the Existing Deed of Trust and by substituting in lieu of each reference thereto "Loan Agreement".

(h) By deleting the reference to "Loan Agreements" in Section 7(c) of the Existing Deed of Trust and by substituting in lieu thereof "Loan Agreement".

(i) By deleting the reference to "Revolving Loan Agreement" in the last sentence of Section 7(e) of the Existing Deed of Trust and by substituting in lieu thereof "Loan Agreement".

(j) By deleting the reference to "Loan Agreements" in Section 8(b) of the Existing Deed of Trust and by substituting in lieu thereof "Loan Agreement".

(k) By deleting Section 10 of the Existing Deed of Trust and by substituting in lieu thereof the following:

10. Events of Default. The occurrence of any of the following, whatever the reason therefor, shall constitute an "Event of Default" hereunder:

(a) The occurrence of any Event of Default under the Loan Agreement;

(b) A default or failure to perform when due to be performed by Grantor or any other Obligor under any other document or agreement secured hereby; or

(c) A default or failure to perform when due to be performed by Grantor of any obligation of Grantor's to be performed under this Deed of Trust.

(l) By deleting the reference to "Revolving Loan Agreement and the Term Loan Agreement" in the introductory paragraph of Section 11(a) of the Existing Deed of Trust and by substituting in lieu thereof "Loan Agreement".

(m) By deleting the reference to "any of the Loan Agreements," in Section 11(a)(iv) of the Existing Deed of Trust and by substituting in lieu thereof "the Loan Agreement".

(n) By deleting each reference to "any Loan Agreement," in Section 11(d) of the Existing Deed of Trust and by substituting in lieu of each reference thereto "the Loan Agreement".

(o) By deleting each reference to "any Loan Agreement," in Section 11(e) of the Existing Deed of Trust and by substituting in lieu of each reference thereto "the Loan Agreement".

(p) By deleting Section 12 of the Existing Deed of Trust and by substituting in lieu thereof the following:

12. Future Advances. This Deed of Trust is given to secure not only the existing Indebtedness, but also future advances (whether such advances are obligatory or are made at the option of Beneficiary, or otherwise) made by Beneficiary under the Loan Agreement, the financing agreements between Beneficiary and Trucks (the obligations of which are guaranteed by Grantor pursuant to the Guaranty), or this Deed of Trust, to the same extent as if such future advances were made on the date of the execution of this Deed of Trust.

(q) By deleting the reference to "the Revolving Loan Agreement, the Term Loan Agreement," in Section 13(e) of the Existing Deed of Trust and by substituting in lieu thereof "the Loan Agreement".

(r) By deleting the second sentence of Section 13(l) of the Existing Deed of Trust and by substituting in lieu thereof the following:

Any reference to the Loan Agreement, any Note, any other Loan Documents, any Secured Obligation or any other related document shall include such document both as originally executed and as it may from time to time be modified.

(s) By deleting the reference to "at the rate specified in the Revolving Loan Agreement" in Section 14 of the Existing Deed of Trust and by substituting in lieu thereof "at the Default Rate".

(t) By deleting the reference to "the Revolving Loan Agreement and the other Loan Documents in respect of the Revolving Loan Agreement" in Section 15 of the Existing Deed of Trust and by substituting in lieu thereof "the Loan Agreement and the other Loan Documents".

3. Reference to Loan Agreement. Upon the effectiveness of this Amendment, each reference in the Existing Deed of Trust to the term "Loan Agreement," shall mean and be a reference to the Loan Agreement, as such term is amended by this Amendment.

4. Reference to Instrument. Upon the effectiveness of this Amendment, each reference in the Existing Deed of Trust to "this Deed of Trust," "hereunder," "hereof," or words of like import shall mean and be a reference to the Existing Deed of Trust, as amended by this Amendment and as further amended, restated, supplemented or otherwise modified.

5. No Other Change. Except as herein expressly amended, each and every term, condition, warranty and provision of the Existing Deed of Trust, as amended hereby, shall remain in full force and effect, and such are hereby ratified, confirmed and approved by the parties hereto. Nothing herein shall operate as a waiver of any right, power or remedy of Trustee or Beneficiary under the Existing Deed of Trust, as amended hereby, or constitute a waiver of any provision of the Existing Deed of Trust, as amended hereby, or be construed to alter or affect the priority of the lien or title created by the Existing Deed of Trust, as amended hereby, it being the expressly declared intention of the parties hereto that no novation of the Loan Documents (as defined in the Loan Agreement, after giving effect to this Amendment) be created hereby.

6. Ratification; Reaffirmation. Grantor hereby ratifies and reaffirms the Existing Deed of Trust, as amended hereby, and all of Grantor's covenants, duties and liabilities thereunder.

7. Acknowledgments and Stipulations. Grantor acknowledges and stipulates that the Existing Deed of Trust, as amended hereby, is a valid, legal and binding obligation of Grantor that is enforceable against Grantor in accordance with the terms thereof; and all of the Secured Obligations are owing and payable by Grantor to Beneficiary without defense, offset or counterclaim (and to the extent there exists any such defense, offset or counterclaim on the date hereof, the same is hereby waived by Grantor).

8. Representations and Warranties. Grantor represents and warrants to Beneficiary, to induce Beneficiary to enter into this Amendment, that this Amendment has been duly executed and delivered by Grantor; and except as may have been disclosed in writing by Grantor to Beneficiary prior to the date hereof, all of the representations and warranties made by Grantor in the Existing Deed of Trust, as amended hereby, are true and correct on and as of the date hereof.

9. Entire Agreement. This Amendment and the Existing Deed of Trust, as amended hereby, set forth the entire understanding of the parties with respect to the matters set forth herein, and shall supersede any prior negotiations, commitment letters, or agreements, whether written or oral, with respect to such matters.

10. Binding Effect. This Amendment shall be binding upon and shall inure to the benefit of the parties hereto, and their respective successors, legal representatives and assigns.

11. Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which shall be deemed an original but all of which, taken together, shall constitute one and the same instrument.

12. Governing Law. This Amendment shall be governed by and construed and enforced in accordance with the laws of the State of Oregon.

[Signatures begin on following page]

IN WITNESS WHEREOF, this Amendment is executed as of the date(s) acknowledged below, but shall be made effective as of the day and year first above written.

PETERSON MACHINERY CO.
("Grantor")

By: _____

Mark J. MacGuidwin, Chief Financial
Officer

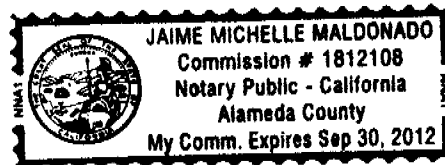
ACKNOWLEDGMENT

STATE OF California)
COUNTY OF Alameda)

The foregoing instrument was acknowledged before me this 15 day of November, 2011, by Mark J. MacGuidwin, as Chief Financial Officer of Peterson Machinery Co., an Oregon corporation, on behalf of said corporation.

Jaime Michelle Maldonado
Notary Public in and for the State of California
My Commission Expires: Sept. 30, 2012

[Signatures continue on following page]



CATERPILLAR FINANCIAL SERVICES
CORPORATION

("Beneficiary")

By: 

Name: David Broderick

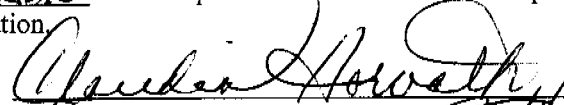
Title: Credit Manager

ACKNOWLEDGMENT

STATE OF TENNESSEE)

COUNTY OF DAVIDSON)

The foregoing instrument was acknowledged before me this 14th day of November, 2011, by DAVID BRODERICK as CREDIT MANAGER of Caterpillar Financial Services Corporation, a Delaware corporation, on behalf of said corporation.


Notary Public in and for the State of TENNESSEE

My Commission Expires: 11/7/2012

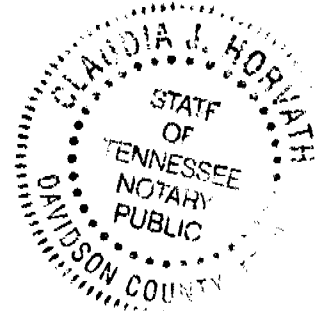


EXHIBIT A

Klamath County, Oregon

Real property in the City of Klamath Falls, County of Klamath, State of Oregon, described as follows:

PARCEL ONE:

A PARCEL OF LAND IN SECTION 33, TOWNSHIP 38 SOUTH, RANGE 9 EAST OF THE WILLAMETTE MERIDIAN, KLAMATH COUNTY, OREGON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE WESTERLY RIGHT OF WAY LINE OF SOUTH SIXTH STREET WHICH BEARS S 55°08'50" E 594.48 FEET FROM THE WEST 1/4 OF SECTION 33; THENCE ALONG SAID WESTERLY RIGHT OF WAY LINE S 27°06'50" E 122.14 FEET; THENCE S 03°41'00" E 252.00 FEET; THENCE S 34°49'00" W 15.00 FEET; THENCE S 55°11'00" E 150.00 FEET; THENCE LEAVING SAID WESTERLY RIGHT OF WAY LINE S 34°49'00" W 623.06 FEET TO A POINT; THENCE 223.35 FEET ALONG THE ARC OF A 467.00 FOOT RADIUS CURVE TO THE RIGHT, THE LONG CHORD OF WHICH BEARS N 25°31'17" W 221.24 FEET AND HAVING A DELTA ANGLE OF 27°22'04"; THENCE 555.49 FEET ALONG THE ARC OF 686.05 FOOT RADIUS CURVE TO THE RIGHT, THE LONG CHORD OF WHICH BEARS N 11°21'30" E 540.44 FEET AND HAVING A DELTA ANGLE OF 46°23'30"; THENCE N 34°33'14" E 211.60 FEET; THENCE 76.23 FEET ALONG THE ARC OF A 487.68 FOOT RADIUS CURVE TO THE LEFT, THE LONG CHORD OF WHICH BEARS N 30°04'34" E 76.15 FEET AND HAVING A DELTA ANGLE OF 08°57'21" TO THE POINT OF BEGINNING TOGETHER WITH:

PARCEL 2:

A NONEXCLUSIVE EASEMENT FOR SEWER DRAINAGE PURPOSES AS CONTAINED IN THAT CERTAIN DECLARATION OF PRIVATE EASEMENT BY PETERSON MACHINERY CO., DATED APRIL 15, 2010, RECORDED ON APRIL 20, 2010 AS INSTRUMENT NO. 2010-04745, RECORDS OF KLAMATH COUNTY, OREGON

OVER THE FOLLOWING DESCRIBED LAND:

A PORTION OF THE LAND SITUATED IN THE SW ¼ OF SECTION 33, TOWNSHIP 38 SOUTH, RANGE 9 EAST OF THE WILLAMETTE MERIDIAN, KLAMATH COUNTY, OREGON, BEING A PORTION OF A RAILROAD SPUR AS SHOWN ON THE CENTRAL PACIFIC RAILWAY MAP V-1/S5-D, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE W1/4 CORNER OF SAID SECTION 33, THENCE NORTH 00°00'49" EAST, 69.37 FEET; THENCE SOUTH 55°27'00" EAST, 407.10 FEET; THENCE SOUTH 10°46'30" WEST, 10.93 FEET; THENCE SOUTH 49°37'44" EAST, 197.05 FEET; THENCE ALONG THE ARC OF A NON-TANGENT 467.68 FOOT RADIUS CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 03°03'47" (THE LONG CHORD OF WHICH BEARS SOUTH 22°58'05" WEST, 25.00 FEET) AN ARC DISTANCE OF 25.00 FEET TO THE NORTHWEST CORNER OF THE PROPERTY DESCRIBED IN D.V. 2009-011407 AND THE TRUE POINT OF BEGINNING; THENCE SOUTH 40°26'39" EAST, 21.98 FEET TO THE NORTHEAST CORNER OF THE PROPERTY DESCRIBED IN D.V. 2009-011407; THENCE ALONG THE EASTERLY BOUNDARY LINE OF THE PROPERTY DESCRIBED IN D.V. 2009-011407, ALONG THE ARC OF A 487.68 FOOT RADIUS CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 08°57'21" (THE LONG CHORD OF WHICH BEARS SOUTH 30°04'20" WEST, 76.15 FEET) AN ARC DISTANCE OF 76.23 FEET; THENCE ALONG SAID EASTERLY BOUNDARY LINE, SOUTH 34°33'00" WEST, 23.90 FEET, THENCE LEAVING SAID EASTERLY BOUNDARY LINE, NORTH 55°27'00" WEST, 20.00 FEET TO A POINT ON THE WESTERLY BOUNDARY LINE OF THE PROPERTY DESCRIBED IN D.V. 2009-011407; THENCE ALONG SAID WESTERLY BOUNDARY LINE, NORTH 34°33'00" EAST, 23.90 FEET TO A POINT OF CURVATURE; THENCE ALONG SAID WESTERLY

BOUNDARY LINE, ALONG THE ARC OF A 467.68 FOOT RADIUS CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF $10^{\circ}03'01''$ (THE LONG CHORD OF WHICH BEARS SOUTH $29^{\circ}31'29''$ EAST, 81.93 FEET) AN ARC DISTANCE OF 82.04 FEET TO THE TRUE POINT OF BEGINNING, WITH BEARINGS BASED ON KLAMATH COUNTY SURVEY 7682.

SAID PARCEL 2 BEING A PORTION OF THAT CERTAIN LAND CONVEYED TO PETERSON MACHINERY CO. BY UNION PACIFIC RAILROAD COMPANY BY QUITCLAIM DEED RECORDED AUGUST 25, 2009 AS INSTRUMENT NO. 2009-011407, RECORDS OF KLAMATH COUNTY