

LeeAnn Heath
650 Hawthorne Ave. SE Suite 210
Salem, OR 97301

2012-009966
Klamath County, Oregon



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09/10/2012 10:02:43 AM

Fee: \$62.00

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

NOTICE: THE DEED OF TRUST MODIFIED HEREBY IS A LINE OF CREDIT TRUST DEED. THE MAXIMUM PRINCIPAL AMOUNT TO BE ADVANCED UNDER THE SECURED OBLIGATIONS (AS DEFINED IN THE DEED OF TRUST) SECURED HEREBY IS \$7,000,000.00. IN ADDITION, THE DEED OF TRUST MODIFIED HEREBY SECURES ALL OTHER INDEBTEDNESS EVIDENCED BY THE SECURED OBLIGATIONS OR OTHERWISE CREATED IN CONNECTION WITH THE DEED OF TRUST AS MODIFIED HEREBY, WHICH INDEBTEDNESS IS POTENTIALLY UNLIMITED. THE SECURED OBLIGATIONS PROVIDE FOR A MATURITY DATE OF DECEMBER 31, 2018 (EXCLUSIVE OF THE OPTION TO RENEW OR EXTEND).

This Modification of Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (this "Modification"), dated as of August 30, 2012, is made by and between **SIERRA-CASCADE NURSERY, INC.**, a California corporation ("Grantor"), whose address is 472-715 Johnson Rd., Susanville, CA 96130, and **NORTHWEST FARM CREDIT SERVICES, PCA**, a corporation organized and existing under the laws of the United States ("Beneficiary"), whose address is 1700 South Assembly Street, Spokane, WA 99224-2121, P. O. Box 2515, Spokane, WA 99220-2515.

WHEREAS, on October 28, 2008, a Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing was executed in favor of Beneficiary, which was recorded on November 10, 2008, as Instrument No(s). 2008-015194 in the Official Records of Klamath County, Oregon (the "Deed of Trust"), covering the land described on the attached Exhibit A;

WHEREAS, the Deed of Trust secures, among other things, the payment and performance of indebtedness evidenced by the Revolving Term Note dated October 28, 2008, payable to the order of Beneficiary, in the initial face principal amount of Three Million and No/100 Dollars (\$3,000,000.00) (the "Note").

WHEREAS, the parties hereto are amending the Note pursuant to that certain Amendment No. 2 to Revolving Term Note dated on or around even date herewith (and as it may be extended,

renewed, modified, amended or restated from time to time, the "Amendment") and the parties wish to acknowledge that the obligations secured by the Deed of Trust previously evidenced by the Note are now additionally evidenced by the Amendment. The obligations secured by the Deed of Trust are now hereby described as follows:

Note No.	Date of Note	Principal Amount	Final Installment Date
38433-245	October 28, 2008	\$7,000,000.00	December 31, 2018

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, receipt of which is hereby acknowledged, and intending to be bound hereby, Grantor and Beneficiary now agree to modify the Deed of Trust as follows.

ARTICLE 1 AMENDMENTS

1.1 Recitals, References and Definitions.

- a. The recitals hereto are incorporated in and made a part of this Modification.
- b. All secured indebtedness described in the Deed of Trust shall be deemed also to include the Amendment.
- c. All references in the Deed of Trust to the "Deed of Trust" are deemed to refer to the Deed of Trust as amended and supplemented by this Modification.
- d. All capitalized terms used but not otherwise defined in this Modification shall have the meaning given such terms in the Deed of Trust.

ARTICLE 2 MISCELLANEOUS

2.1 Acceptance By Trustee. Trustee accepts this trust when this Modification, duly executed and acknowledged, is made a public record as provided by law.

2.2 Headings. Article and section headings are included in this Modification for convenience of reference only and shall not be used in construing this Modification.

2.3 Severability. Every provision of this Modification is intended to be severable. The illegality, invalidity or unenforceability of any provision of this Modification shall not in any way affect or impair the remaining provisions of this Modification, which provisions shall remain binding and enforceable.

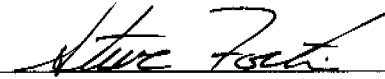
2.4 Successors and Assigns. This Modification applies to, inures to the benefit of and binds all parties to this Modification, their heirs, legatees, devisees, administrators, executors, successors and assigns.

2.5 Counterparts. This Modification may be executed in any number of counterparts, each of which, when executed, shall be deemed to be an original, and all of which together shall be deemed to be one and the same instrument.

ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

IN WITNESS WHEREOF, Grantor and Beneficiary have duly executed this Modification as of the date first above written.

GRANTOR:
SIERRA-CASCADE NURSERY, INC.

By: 
Steven A. Fortin, President

By: 
Michael A. Brandt, Secretary

BENEFICIARY:
NORTHWEST FARM CREDIT SERVICES, PCA

By: 
Authorized Agent

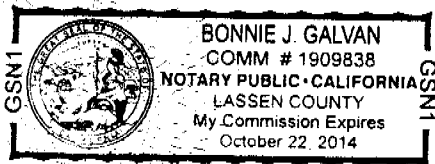
STATE OF CALIFORNIA

County of Lassen

On 8/30/12 before me, (here insert name and the title of the officer), Bonnie Galvan, personally appeared Steve Fortin who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(ies), and that by his/~~her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) 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.

WITNESS my hand and official seal.



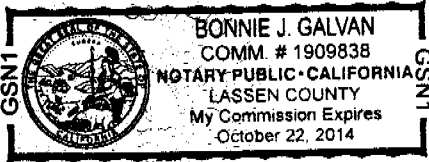
Bonnie Galvan
Notary Public for the State of California
Residing at Lassen County
My commission expires 10/22/14
Printed Name Bonnie Galvan

STATE OF CALIFORNIA

County of Lassen

On 8/30/12 before me, (here insert name and the title of the officer), Bonnie Galvan, personally appeared Mike Brandt who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(~~ies~~), and that by his/~~her/their~~ signature(~~s~~) on the instrument the person(~~s~~), or the entity upon behalf of which the person(~~s~~) 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.



WITNESS my hand and official seal.

Bonnie Galvan

Notary Public for the State of California
Residing at Lassen County
My commission expires 10/22/14
Printed Name Bonnie Galvan

STATE OF OR)
)ss.
County of Marion)

This instrument was acknowledged before me on 9-5-12 (date) by Randi Bural (name(s) of person(s)) as authorized agent of Northwest Farm Credit Services, PCA

Leslie A. Heath
Financial Specialist
My commission expires 1-31-14

(Signature of notarial officer)
Title (and Bank)

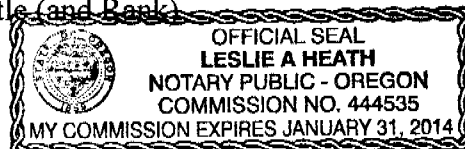


EXHIBIT A
PROPERTY DESCRIPTION

NW1/4NE1/4, S1/2NE1/4 and SE1/4 of Section 36, Township 37 South, Range 11 ½ East of the Willamette Meridian, Klamath County, Oregon.

EXCEPTING THEREFROM:

A track of land being a portion of Parcel 2 of "Minor Land Partition 15-90". Situated in the W1/2E1/2 and the NE1/4NW1/4 of Section 36, Township 37 South, Range 11 ½ East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at the North ¼ corner of said Section 36; thence North 89 degrees 05'03" East 1,323.78 feet to the East 1/16 corner common to Sections 25 and 36 and the West line of that tract of land owned by Mike and Donna Russell; thence South 00 degrees 21'57" West, along the said tract of land, 1,320.15 feet to a fence corner; thence the following courses and distances generally along an existing fence line; South 88 degrees 49'15" West 114.29 feet, South 00 degrees 14'09" East 1,318.34 feet, South 00 degrees 05'02" East 962.47 feet and South 89 degrees 25'11" West 1,132.76 feet; thence South 89 degrees 25'11" West, to a point on the center line of Squaw Flat Road and on the West boundary line of said Parcel 2, 26.9 feet more or less; thence the following courses and distances along said boundary; North 00 degrees 10'06" West 2,732.58 feet, along the arc of a curve to the left (radius equals 1,909.86 feet and central angle equals 05 degrees 00'00") 166.67 feet, North 05 degrees 10'06" West 546.22 feet and along the arc of a curve to the left (radius equals 954.93 feet and central angle equals 09 degrees 09'08") 152.54 feet, North 89 degrees 05'03" West 42.65 feet to the point of beginning, with bearings based on "Minor Land Partition 15-90".

Subject to: A 20 foot wide irrigation easement, the centerline of which is more particularly described as follows:

Beginning at a point on the South line of the above described tract of land, from which the Southeast corner of said Tract of land bears North 89 degrees 25'11" East 587.87 feet; thence North 31 degrees 11'49" East, 1,132.14 feet to a point on the East boundary line of the said tract of land.

AND

W1/2NE1/4 and all that portion of the NW1/4SE1/4 of Section 1, Township 38 South, Range 11 ½ East of the Willamette Meridian, Klamath County, Oregon, lying North of the center of the County Road running Easterly and Westerly through said tract as said County Road presently exists on the ground.

Tax Account No:	3711-V0000-07301-000	Key No.	871968
Tax Account No:	3811-V0100-00200-000	Key No.	482784
Tax Account No:	3811-V0100-00200-000	Key No.	643
Tax Account No:	3811-V0100-00800-000	Key No.	482793

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Modification of Deed of Trust (CIF No. 38433)