

MTC 1396-11024

Return Address:

Northwest FCS-Pasco
9530 Bedford Street
Pasco, WA 99301

2012-014468

Klamath County, Oregon

12/31/2012 09:09:50 AM

Fee: \$122.00

AMERITITLE has recorded this
Instrument by request as an accommodation only,
and has not examined it for regularity and sufficiency
or as to its effect upon the title to any real property
that may be described therein.

**MODIFICATION OF LINE OF CREDIT DEED OF TRUST, ASSIGNMENT OF
LEASES AND RENTS, 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 \$4,500,000.00. 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 JANUARY 1, 2013 (EXCLUSIVE OF THE OPTION TO RENEW OR EXTEND).

This Modification of Line of Credit Deed of Trust, Assignment of Leases and Rents, and Fixture Filing (this "Modification"), dated as of October 18, 2012, is made by and between **ROYALE COLUMBIA FARMS, INC.**, an Oregon corporation, whose address is P.O. Box 93, Hermiston, OR 97838; **WRMS, LLC**, an Oregon limited liability company which acquired title as **WRMS L.L.C.**, an Oregon corporation, whose address is 2154 Sheridan Place, Richland, WA 99352; **G-2 FARMING, L.L.C.**, an Oregon limited liability company, whose address is P.O. Box 130, Hermiston, OR 97838; and **FAULT LINE, LLC**, an Oregon limited liability company, whose address is 3901 Brooke Drive, Klamath Falls, OR 97603 (collectively, "Grantor"), 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 January 22, 2010, a Line of Credit Deed of Trust, Assignment of Leases and Rents, and Fixture Filing was executed in favor of Beneficiary, which was recorded on January 26, 2010, as Instrument No(s). 2010-000947 in the Official Records of Klamath County, Oregon, and recorded on January 26, 2010, as Instrument No(s). 2010-5610685 in the Official Records of Umatilla County, Oregon (the "Deed of Trust"), covering the land described on the attached Exhibit A;

WHEREAS, Fault Line, LLC owns fixtures and improvements located on the property described in the Deed of Trust and is hereby granting a security interest in such fixtures and improvements;

Modification of Line of Credit Deed of Trust (CIF No. 67004)

97 AMT

WHEREAS, Section 1.3 of the Deed of Trust is hereby modified by substitution of the following:

1.3 Fixture Filing. This Deed of Trust is intended to serve as a Fixture filing pursuant to the terms of the applicable Uniform Commercial Code. This Deed of Trust is to be recorded in the real estate records of each County in which the Land is located. In that regard, Grantor is Debtor and Beneficiary is Secured Party and the Organizational ID Number for Royale Columbia Farms, Inc. is 109246-11, the Organizational ID Number for WRMS, LLC is 704778-81, the Organizational ID Number for G-2 Farming, L.L.C. is 668541-84 and the Organizational ID Number for Fault Line, LLC is 688108-87.

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 references in the Deed of Trust to the "Collateral" shall be deemed to include the fixture and improvement collateral being granted herein.
- c. All references in the Deed of Trust to the "Rents" shall include the rents, issues, profits, royalties, income and other proceeds and similar benefits derived from the fixture and improvement collateral being granted herein.
- d. 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.
- e. 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 Supplemental Grant of Security

2.1 Grant of Security. Grantor, in consideration of the indebtedness secured by the Deed of Trust, irrevocably bargains, sells, grants, mortgages, transfers, conveys, assigns and warrants to Trustee, IN TRUST, WITH POWER OF SALE, AND RIGHT OF ENTRY AND POSSESSION for the benefit and security of Beneficiary, all Grantor's existing and future rights, titles, interests, estates, powers and privileges in or to the real property described on Exhibit B attached to this Modification and incorporated herein.

2.2 Grant of Security Interest. As security for the payment, performance and observance of the indebtedness secured by the Deed of Trust, Grantor, as debtor, hereby grants to Beneficiary, as secured party, a security interest in all of Grantor's existing and future right, title and interest in and to the Collateral.

2.3 Fixture Filing. This Modification is intended to serve as a Fixture filing covering Fixtures located on the Collateral pursuant to the terms of the applicable Uniform Commercial Code

2.4 Assignment of Rents, Issues and Profits. Grantor absolutely, unconditionally and irrevocably bargains, sells, grants, mortgages, transfers, conveys, assigns and warrants to Beneficiary all of its right, title and interest in and to all rents, issues, profits, royalties, income and other proceeds and similar benefits derived from the Collateral (collectively the "Additional Rents"), and gives to Beneficiary the right, power and authority to collect such Additional Rents.

2.5 Supplemental Nature of Grants. The grants and assignments provided by this Article 2 are in addition to and supplemental of and not in substitution for the grants provided by the Deed of Trust, and nothing herein contained shall affect or impair the lien or priority of the Deed of Trust as to the indebtedness secured thereby prior to giving effect to this Modification.

ARTICLE 3 MISCELLANEOUS

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

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

3.3 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.

3.4 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.

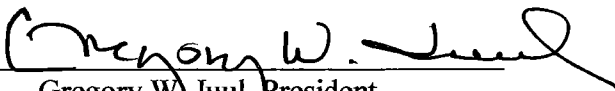
3.5 Counterparts. This Modification may be executed in any number of counterparts, each of which, when executed, shall be deemed to be an original, and all of which together shall be deemed to be one and the same instrument.


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:

ROYALE COLUMBIA FARMS, INC.

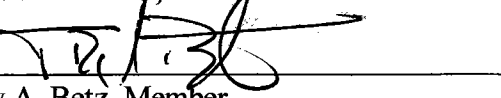
By: 
Gregory W. Juul, President

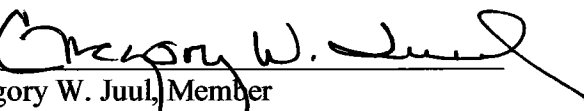
By: 
Troy A. Betz, Secretary

WRMS, LLC


By: 
Michael D. Thornton, Managing Member

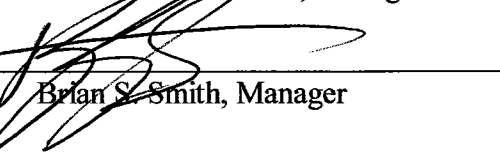
G-2 FARMING, L.L.C.

By: 
Troy A. Betz, Member

By: 
Gregory W. Juul, Member


FAULT LINE, LLC

By: 
Michael D. Thornton, Manager

By: 
Brian S. Smith, Manager

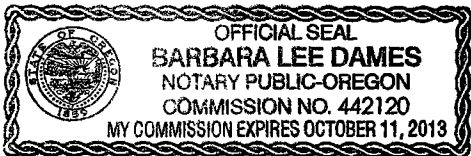
BENEFICIARY:

NORTHWEST FARM CREDIT SERVICES, PCA

By: 
Authorized Agent

STATE OF Oregon)
)ss.
County of Umatilla)

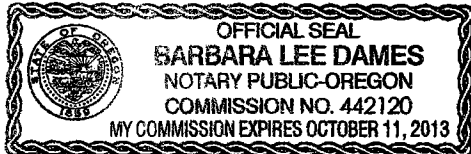
On this 7th day of December, 2012, before me personally appeared Gregory W. Juul, known to me to be the President of Royale Columbia Farms, Inc., the corporation which executed the within instrument, and acknowledged that he executed the same as such president and in the corporation name freely and voluntarily.



Barbara Lee Dames
Notary Public for the State of Oregon
Residing at 174 N.E. 11th Pl - Hermiston, Or 97838
My commission expires Oct. 11, 2013
Printed Name Barbara Lee Dames

STATE OF Oregon)
)ss.
County of Umatilla)

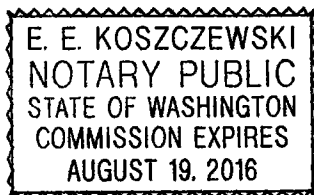
On this 7th day of December, 2012, before me personally appeared Troy A. Betz, known to me to be the Secretary of Royale Columbia Farms, Inc., the corporation which executed the within instrument, and acknowledged that he executed the same as such secretary and in the corporation name freely and voluntarily.



Barbara Lee Dames
Notary Public for the State of Oregon
Residing at 174 N.E. 11th Pl - Hermiston, Or 97838
My commission expires Oct. 11, 2013
Printed Name Barbara Lee Dames

STATE OF Washington)
)ss.
County of Benton)

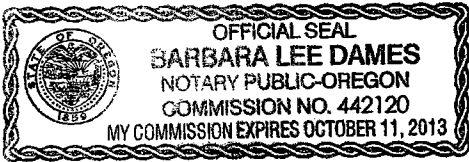
On this 20th day of December, 2012, before me personally appeared Michael D. Thornton, known to me to be the Managing Member of WRMS, LLC the limited liability company which executed the within instrument, and acknowledged that he executed the same as such managing member and in the limited liability company's name freely and voluntarily.



E. E. Koszczewski
Notary Public for the State of Washington
Residing at Richland, WA
My commission expires 08 - 19 - 2016
Printed Name E. E. KOSZCZEWSKI

STATE OF Oregon)
)ss.
County of Umatilla)

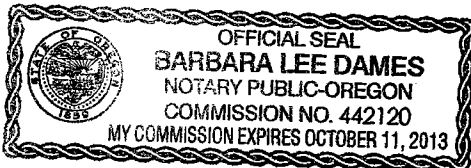
On this 7th day of December, 2012, before me personally appeared Troy A. Betz, known to me to be a member of G-2 Farming, L.L.C., the limited liability company which executed the within instrument, and acknowledged that he executed the same as such member and in the limited liability company's name freely and voluntarily.



Barbara Lee Dames
Notary Public for the State of Oregon
Residing at 174 N.E. 11th Pl - Hermiston, Or 97838
My commission expires Oct. 11, 2013
Printed Name Barbara Lee Dames

STATE OF Oregon)
)ss.
County of Umatilla)

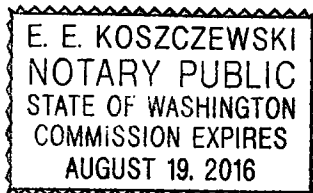
On this 7th day of December, 2012, before me personally appeared Gregory W. Juul, known to me to be a member of G-2 Farming, L.L.C., the limited liability company which executed the within instrument, and acknowledged that he executed the same as such member and in the limited liability company's name freely and voluntarily.



Barbara Lee Dames
Notary Public for the State of Oregon
Residing at 174 N.E. 11th Pl - Hermiston, Or 97838
My commission expires Oct. 11, 2013
Printed Name Barbara Lee Dames

STATE OF Washington)
)ss.
County of Benton)

On this 20th day of December, 2012, before me personally appeared Michael D. Thornton, known to me to be a Manager of Fault Line, LLC the limited liability company which executed the within instrument, and acknowledged that he executed the same as such manager and in the limited liability company's name freely and voluntarily.

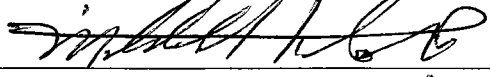


E. E. Koszciewski
Notary Public for the State of Washington
Residing at Richland, WA
My commission expires 08-19-2016
Printed Name E. E. KOSZCZEWSKI

STATE OF Oregon)
)ss.
County of Klamath)

On this 28 day of December, 2012, before me personally appeared Brian S. Smith, known to me to be a Manager of Fault Line, LLC the limited liability company which executed the within instrument, and acknowledged that he executed the same as such manager and in the limited liability company's name freely and voluntarily.

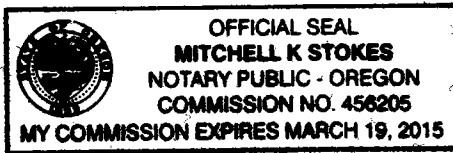


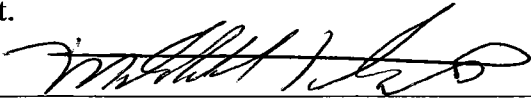


Notary Public for the State of Oregon
Residing at Klamath Falls
My commission expires 3-19-15
Printed Name Mitchell K Stokes

STATE OF Oregon)
)ss.
County of Klamath)

On this 28 day of December, 2012, before me personally appeared Stephen D. Revis, known to me to be an authorized agent of Northwest Farm Credit Services, PCA, that executed the within instrument, and acknowledged to me that such corporation executed the same as its free act and deed; and on oath stated that he/she was authorized to executed said instrument.





Notary Public for the State of Oregon
Residing at Klamath Falls
My commission expires 3-19-15
Printed Name Mitchell K. Stokes

L:\lg\LGLI\Royale Columbia Farms\67004\Modification of DOT_67004-241_Oct 2012.docx

EXHIBIT A
PROPERTY DESCRIPTION

KLAMATH COUNTY

Lots 12, 13 and 14 of TRACT 1293, being a portion of Tracts 9 through 11 of "ALTAMONT RANCH TRACTS", according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

UMATILLA COUNTY

Tract I

Township 4 North, Range 29, E.W.M.

Section 1: Northeast Quarter of the Northeast Quarter.

South Half of the Northeast Quarter.

Southeast Quarter of the Northwest Quarter.

North Half of the Southeast Quarter.

Southeast Quarter of the Southeast Quarter.

Excepting therefrom any portion lying within that tract of land conveyed to United States of America, for the Cold Springs Reservoir Site, as described in Deed, recorded May 17, 1907 in Book 54, Page 218, Deed Records.

Township 4 North, Range 30, E.W.M.

Section 6: All.

Township 5 North, Range 29, E.W.M.

Section 25: Beginning at the Southeast corner of said Section 25; thence North along the East line thereof to the Northeast corner of said Section 25; thence Southwesterly to the Southwest corner of said Section 25; thence East along the South line thereof to the point of beginning.

Excepting therefrom that tract of land being described as beginning at the Northeast corner of said Section 25; thence South 01°07'44" East, along the East line of said Section 25, a distance of 182.34 feet; thence South 43°23'10" West, a distance of 7,174.57 feet;

Modification of Line of Credit Deed of Trust (CIF No. 67004)

thence South 88°46'03" West, a distance of 249.90 feet to the West line of said Section 25; thence North 43°46'09" East, a distance of 7,480.28 feet to the point of beginning.

Section 36: North Half of the North Half.
Southeast Quarter of the Northeast Quarter.

Township 5 North, Range 30, E.W.M.

Section 18: That portion of the Southeast Quarter being described as beginning at the Northeast corner of said Section 18; thence South along the East line of said Section 18 to the Southeast corner of said Section 18; thence West along the South line of said Section 18 to the Southwest corner of said Section 18; thence Northeasterly in a straight line to the point of beginning.

Excepting therefrom any portion lying Northerly and Easterly of Highway 395 as described in Deed to Mel Goodwin, recorded in Book 337, Page 538, Deed Records.

Township 5 North, Range 30, E.W.M.

Also excepting therefrom that portion of the South Half of said Section 18 lying Northerly and Westerly of a line being described as commencing at the Southwest corner of said Section 18; thence North 89°08'02" East along the South line of said Section 18, a distance of 2,540.61 feet to the True Point of Beginning for this line description; thence North 41°33'40" East to the South right-of-way line of U.S. Highway No. 395 (now known as Oregon State Highway No. 37) and the point of terminus for this line description.

Section 29: All.

Section 30: All.

Section 31: North Half.
Southeast Quarter.
South Half of the Southwest Quarter.

Section 32: South Half of the Northwest Quarter.
North Half of the Southwest Quarter.
Southwest Quarter of the Southwest Quarter.

Excepting from all of the described lands any portion lying within County Road

Modification of Line of Credit Deed of Trust (CIF No. 67004)

or Highway right-of-ways.

All being East of the Willamette Meridian, Umatilla County, Oregon.

TOGETHER WITH all irrigation equipment, now owned and used, in whole or in part to irrigate the mortgaged property and located on property owned by Royale Columbia Associates, described as:

A strip of land 16 feet wide, being the extreme easterly 16 feet of that portion of Section 19, Township 5 North, Range 30, E.W.M., lying south of the northerly right of way line of U.S. Highway No. 395 right of way.

TOGETHER WITH all irrigation equipment, now owned and used, in whole or in part to irrigate the mortgaged property and located on property owned by Royale Columbia Farms, Inc., described as:

A strip of land 16 feet in width being the extreme Westerly 16 feet of Section 17 and the extreme Westerly 16 feet of Section 17 and the extreme Westerly 16 feet of that portion of Section 20 lying North of the Northerly right of way of U.S. Highway No. 395, Township 5 North, Range 30, E.W.M., in the County of Umatilla and State of Oregon

TOGETHER WITH all irrigation equipment, now owned and used, in whole or in part to irrigate the mortgaged property and located on property owned by Royale Columbia Farms, Inc., described as:

A strip of land situated in Section 17, Township 5 North, Range 30 East, W.M., Umatilla County, Oregon, being more particularly described as follows:

Beginning at the Northwest corner of said Section 17; Thence S01°55'47"E along the West line of said Section 17 a distance of 231.04 feet to a point on the Southerly margin of a Bonneville Power Administration right-of-way and True Point of Beginning; Thence N43°38'34"E along said Southerly margin a distance of 50.00 feet; Thence S46°21'26"E a distance of 20.42 feet; Thence S27°13'48"W a distance of 102.62 feet to the West line of said Section 17; Thence N01°52'57"W along said West line a distance of 69.19 feet to the True Point of Beginning.

TOGETHER WITH all irrigation equipment, now owned and used, in whole or in part to irrigate the mortgaged property and located on property owned by Royale Columbia Associates, described as:

Parcel 1 – Pump Plant Site

A parcel of land situated in Sections 7 and 8, Township 5 North, Range 30 East, W.M., Umatilla County, Oregon, and being more particularly described as follows:

Beginning at the Southwest corner of said Section 8; Thence North 01°01'06" East along the West line of said Section 8 a distance of 2671.17 feet to a point on the Northerly margin of U.S. Highways No. 395 and 730 right-of-way; Thence North 57°31'45" East along said Northerly margin a distance of 78.61 feet to the TRUE POINT OF BEGINNING; Thence North 32°28'15" West a distance of 36.00 feet; Thence North 77°29'03" West a distance of 11.31 feet; Thence North 32°28'15" West a distance of 76.00 feet; Thence South 57°31'45" West a distance of 35.00 feet; Thence South 32°28'15" East a distance of 12.00 feet; Thence North 57°31'45" East a distance of 43.00 feet to the TRUE POINT OF BEGINNING.

This Parcel contains 0.10 acres, more or less.

Parcel 2 – Pipeline Right-of-Way

A strip of land of varying width situated in the West half of the West half of Section 8, Township 5 North, Range 30 East, W.M., Umatilla County, Oregon, and being more particularly described as follows:

Beginning at the Southwest corner of said Section 8; Thence North 01°01'06" East along the West line of said Section 8 a distance of 2671.17 feet to a point on the Northerly margin of U.S. Highways No. 395 and 730 right-of-way; Thence North 57°31'45" East along said Northerly margin a distance of 78.61 feet to the TRUE POINT OF BEGINNING; Thence South 32°28'15" East a distance of 163.53 feet; Thence South 17°13'47" West a distance of 506.74 feet; Thence South 01°14'34" West a distance of 1768.64 feet; Thence South 15°27'17" East a distance of 336.39 feet to a point on the South line of said Section 8, said point lying South 89°11'04" East a distance of 102.78 feet from the Southwest corner of said Section 8; Thence North 89°11'04" West a distance of 7.68 feet; Thence North 15°27'17" West a distance of 335.36 feet to a point on the West line of said Section 8, said point lying North 01°01'06" East a distance of 321.93 feet from the Southwest corner of said Section 8; Thence North 01°01'06" East along the West line of said Section 8 a distance of 1792.04 feet; Thence North 17°13'47" East a distance of 479.96 feet; Thence North 32°28'15" West a distance of 154.27 feet to a point on the Northerly margin of U.S. Highways No. 395 and 730 right-of-way; Thence North 57°31'45" East along said Northerly margin a distance of 20.00 feet to the TRUE POINT OF BEGINNING.

EXCEPTING therefrom all that portion lying within the rights-of-way of U.S. Highways No. 395 and 730, and the Union Pacific Railroad Company.

This Parcel contains 0.66 acres, more or less.

TOGETHER WITH all irrigation equipment, now owned and used, in whole or in part to irrigate the mortgaged property and located on property owned by Royale Columbia Associates, described as:

Underground irrigation pipeline between structures 53/1 and 53/2 of the Lower Monumenta-John Day No. 1 transmission line, in the NW1/4NW1/4 of Section 17, Township 5 North, Range 30 East, Willamette Meridian, Umatilla County, Oregon.

TOGETHER WITH all irrigation equipment, now owned and used, in whole or in part to irrigate the mortgaged property and located on property owned by Hawman Properties LLC, described as:

A strip of land 20.00 feet, in width situated in Section 19, Township 5 North, Range 30 East, W.M., Umatilla County, Oregon, and having 10.00 feet of said width on either side of the following described centerline:

Beginning at the Northeast corner of said Section 19; Thence S 01° 13' 02" E along the East line of said Section 19 distance of 556.88 feet to the True Point of Beginning; Thence N 16° 28' 55" W a distance of 93.00 feet; Thence N 14° 08' 46" E a distance of 44.00 feet, more or less, to a point on the Southerly margin of Oregon State Highway No. 36, PENDLETON-COLD SPRINGS (Highway Ref. No. 4B-7-4), said point being opposite Engineer's Station 147+67.4 and Terminus of this Centerline;

TOGETHER WITH the East 16 feet of said Section 19, as measured at right angles to the East line of said Section 19, lying South of the following described line:

Beginning at the Northeast corner of said Section 19; Thence S 01° 13' 02" E along the East line of said Section 19 distance of 556.88 feet to the True Point of Beginning; Thence N 16° 28' 55" W a distance of 60.77 feet to the Terminus of this line.

TOGETHER WITH all irrigation equipment, now owned and used, in whole or in part to irrigate the mortgaged property and located on property owned by Royale Columbia Farms, Inc., described as:

Pipeline #1: One pipeline leaves Grantee's lands in the S 1/2 SW 1/4, Section 31, Township 5 North, Range 30 East, W.M., crosses Grantors lands in the NW 1/4 NW 1/4 of said Section 6, and re-enters Grantee's land in the E 1/2 NE 1/4 Section 1, Township 4 North, Range 29 East, W.M.

Pipeline #2: A second pipeline also leaves Grantee's lands in the S 1/2 SW 1/4 of said Section 31, crosses Grantors' lands in the E 1/2 NW 1/4 of said Section 6, and re-enters Grantee's lands in the W 1/2 NE 1/4 of said Section 6.

Tax Map Nos.

Klamath County –

<u>Account Nos.</u>	<u>Key No.</u>	<u>Code:</u>
3909-010CB-02500-000	875580	041
3909-010CB-02600-000	875581	041
3909-010CB-02700-000	875582	041
P-009750	P886037	041

Umatilla County –

<u>Map No.</u>	<u>Tax Lot</u>	<u>Serial No.</u>	<u>Code</u>
4N-29A	100	130850	8-3
4N-30	600	133360	61-13
4N-30	700	133361	61-13
4N-30	701	133363	61-13
5N-29D	2900	130861	8-3
5N-30	903	127809	8-4
5N-30	1100	130871	8-3

L:\lg\LGLI\Royale Columbia Farms\67004\Modification of DOT_67004-241_Oct 2012.docx