



**2016-006974**  
Klamath County, Oregon  
07/01/2016 09:14:01 AM  
Fee: \$82.00

**RECORDATION REQUESTED BY:**

Umpqua Bank  
CBC Tehama  
C/O Loan Support Services  
PO Box 1580  
Roseburg, OR 97470

**WHEN RECORDED MAIL TO:**

Umpqua Bank  
PO Box 1580  
Roseburg, OR 97470

**SEND TAX NOTICES TO:**

Carleton Farms, Gregory Carleton, Individually, Cyndee  
O. Smith, Individually and Gregory Carleton and James  
Carleton, Trustees of Alfred C. Carleton and Helen A.  
Carleton Trust under the provisions of a trust agreement  
dated July 25, 1985  
PO Box 362  
Merrill, OR 97633-0362

**FOR RECORDER'S USE ONLY**

## **MODIFICATION OF DEED OF TRUST**

**THIS MODIFICATION OF DEED OF TRUST** dated June 15, 2016, is made and executed between **Parcels 1-7: Carleton Farms, a partnership consisting of James A. Carleton, Gregory G. Carleton and Richmond J. Carleton, Parcel 8: James Carleton and Gregory Carleton successor trustees of the Alfred C. Carleton and Helen A. Carleton Trust dated July 25, 1985, who acquired title as the Alfred and Helen Carleton 1985 Trust, and successor trustees thereof, UTA July 25, 1985 Parcel 9: Gregory Carleton and Cyndee Smith, with the rights of survivorship, whose address is 530 North Main Street, Merrill, OR 96733. ("Grantor") and Umpqua Bank, whose address is CBC Tehama, C/O Loan Support Services, PO Box 1580, Roseburg, OR 97470 ("Lender").**

**DEED OF TRUST.** Lender and Grantor have entered into a Deed of Trust dated May 2, 2016 (the "Deed of Trust") which has been recorded in Klamath County, State of Oregon, as follows:

Recorded on May 5, 2016 as Instrument no. 2016-004564 in the official records of Klamath County, Oregon. The current loan obligation may have been previously modified and all prior modifications, if any, are hereby acknowledged, ratified and confirmed.

**REAL PROPERTY DESCRIPTION.** The Deed of Trust covers the following described real property located in Klamath County, State of Oregon:

See Exhibit "A", which is attached to this Modification and made a part of this Modification as if fully set forth herein.

The Real Property or its address is commonly known as 6614 Appaloosa Court, Klamath Falls, OR 97603; Bare Land, Merrill, OR 97633; Bare Land, Merrill, OR 97633; 15777 Anderson Road, Merrill, OR 97633. The Real Property tax identification number is R100544; R100606; R100599; R872039; R104808; R34581; R106539; R741656; R100376; R896967; R599542; and M67117.

**MODIFICATION.** Lender and Grantor hereby modify the Deed of Trust as follows:

**Modify definition of Grantor.**

As used herein the word "Grantor" now means Carleton Farms, Gregory Carleton, Cyndee O. Smith, and James Carleton and Gregory Carleton, trustees of the Alfred C. Carleton and Helen A. Carleton Trust dated July 25, 1985.

**CONTINUING VALIDITY.** Except as expressly modified above, the terms of the original Deed of Trust shall remain unchanged and in full force and effect. Consent by Lender to this Modification does not waive Lender's right to require strict performance of the Deed of Trust as changed above nor obligate Lender to make any future modifications. Nothing in this Modification shall constitute a satisfaction of the promissory note or other credit agreement secured by the Deed of Trust (the "Note"). It is the intention of Lender to retain as liable all parties to the Deed of Trust and all parties, makers and endorser to the Note, including accommodation parties, unless a party is expressly released by Lender in writing. Any maker or endorser, including accommodation makers, shall not be released by virtue of this Modification. If any person who signed the original Deed of Trust does not sign this Modification, then all persons signing below acknowledge that this Modification is given conditionally, based on the representation to Lender that the non-signing person consents to the changes and provisions of this Modification or otherwise will not be released by it. This waiver applies not only to any initial extension or modification, but also to all such subsequent actions.

**WAIVE JURY.** All parties hereby waive the right to any jury trial in any action, proceeding or counterclaim brought by any party against any other party.

**APPRAISAL.** If at any time during the term of this Deed of Trust the Lender, in the reasonable exercise of its judgment, determines that it is likely that there has been a material adverse change in the value of the Real Property, Lender may obtain, at Borrower's expense, an appraisal of the Real Property prepared by an appraiser satisfactory to Lender and in a form and substance satisfactory to Lender.

**INCONSISTENT STATE AND FEDERAL LAWS.** From time to time, state and federal laws are inconsistent such that an activity permitted under state law is prohibited under federal law, or vice versa. As noted elsewhere in this Agreement, Grantor shall at all times comply with all governmental requirements, both federal and state, and cause all tenants, agents and other users of the Property or Collateral to so comply. For example, although the retail sale or distribution of marijuana products is allowed under law in some states, it is now prohibited under the federal Controlled Substances Act and Grantor must comply, and cause tenants, agents and other users to comply, with federal

## MODIFICATION OF DEED OF TRUST (Continued)

law in this instance.

**SURETYSHIP WAIVERS.** Except as prohibited by applicable law, Grantor waives any right to require Lender: (a) to continue lending money or to continue to extend other credit to Borrower; (b) to obtain Grantor's consent to any modification or extension of the Indebtedness (except an increase in the principal to be advanced under the Note); (c) to resort for payment or to proceed directly or at once against any person, including Borrower or any Guarantor; (d) to proceed directly against or exhaust any collateral held by Lender from Borrower, any Guarantor or any other person; and (e) to pursue any other remedy within Lender's power. Except as prohibited by law, Grantor also waives: any and all rights or defenses based on suretyship, if applicable, or impairment of collateral or any law which may prevent Lender from bringing any action, including a claim for deficiency, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale; any election of remedies by Lender, which destroys or otherwise adversely affects Grantor's subrogation rights or Grantor's rights to proceed against Borrower, if applicable, for reimbursement; any right to claim discharge of the Indebtedness on the basis of unjustified impairment of any collateral for the Indebtedness or based upon any extension, modification, adjustment, restatement, substitution or amendment of the Note or any other document that evidences the Indebtedness, which is made without Grantor's consent.

**ERRORS AND OMISSIONS.** Grantor and Borrower shall if requested by Lender or Lender's closing agent fully cooperate with Lender to adjust and correct clerical errors or omissions on any Loan documents and closing documents if Lender in its reasonable discretion, deems it necessary or desirable to maintain compliance with existing laws and regulations or to fulfill the intent of the parties relating to this Loan.

**VENUE.** The loan transaction that is evidenced by this Agreement has been applied for, considered, approved and made in the State of Oregon. If there is a lawsuit relating to this Agreement, the undersigned shall, at Lender's request, submit to the jurisdiction of the courts of Lane, Douglas or Washington County, Oregon, as selected by Lender, in its sole discretion, except and only to the extent of procedural matters related to Lender's perfection and enforcement of its rights and remedies against the collateral for the loan, if the law requires that such a suit be brought in another jurisdiction. As used in this paragraph, the term "Agreement" means the promissory note, guaranty, security agreement or other agreement, document or instrument in which this paragraph is found, even if this document is described by another name, as well.

**ARBITRATION.** Borrower and Lender agree that all disputes, claims and controversies between them, arising from this Note or otherwise, including without limitation contract and tort disputes, shall be brought in their individual capacities and not as a plaintiff or class member in any purported class or representative proceeding and, upon request of either party, shall be arbitrated pursuant to the rules of (and by filing a claim with) Arbitration Service of Portland, Inc., in effect at the time the claim is filed. No act to take or dispose of any collateral securing this Note shall constitute a waiver of this arbitration agreement or be prohibited by this arbitration agreement. This includes, without limitation, obtaining injunctive relief or a temporary restraining order; invoking a power of sale under any deed of trust or mortgage; obtaining a writ of attachment or imposition of a receiver; or exercising any rights relating to personal property, including taking or disposing of such property with or without judicial process pursuant to Article 9 of the Uniform Commercial Code. Any disputes, claims, or controversies concerning the lawfulness or reasonableness of any act, or exercise of any right, concerning any collateral securing this Note, including any claim to rescind, reform, or otherwise modify any agreement relating to the collateral securing this Note, shall also be arbitrated, provided however that no arbitrator shall have the right or the power to enjoin or restrain any act of any party. Borrower and Lender agree that in the event of an action for judicial foreclosure pursuant to California Code of Civil Procedure Section 726, or any similar provision in any other state, the commencement of such an action will not constitute a waiver of the right to arbitrate and the court shall refer to arbitration as much of such action, including counterclaims, as lawfully may be referred to arbitration. Judgment upon any award rendered by any arbitrator may be entered in any court having jurisdiction. Nothing in this Note shall preclude any party from seeking equitable relief from a court of competent jurisdiction. The statute of limitations, estoppel, waiver, laches, and similar doctrines which would otherwise be applicable in an action brought by a party shall be applicable in any arbitration proceeding, and the commencement of an arbitration proceeding shall be deemed the commencement of an action for these purposes. The Federal Arbitration Act shall apply to the construction, interpretation, and enforcement of this arbitration provision.

**ATTORNEY FEES AND EXPENSES.** The undersigned agrees to pay on demand all of Lender's costs and expenses, including Lender's attorney fees and legal expenses, incurred in connection with enforcement of this Agreement. Lender may hire or pay someone else to help enforce this Agreement. Lender may also use attorneys who are salaried employees of Lender to enforce this Agreement. The undersigned shall pay all costs and expenses of all such enforcement. In the event arbitration, suit, action or other legal proceeding is brought to interpret or enforce this Agreement, the undersigned agrees to pay all additional sums as the arbitrator or court may adjudge reasonable as Lender's costs, disbursements, and attorney fees at hearing, trial, and on any and all appeals. As used in this paragraph "Agreement" means the loan agreement, promissory note, guaranty, security agreement, or other agreement, document, or instrument in which this paragraph is found, even if this document is also described by another name. Whether or not an arbitration or court action is filed, all reasonable attorney fees and expenses Lender incurs in protecting its interests and/or enforcing this Agreement shall become part of the Indebtedness evidenced or secured by this Agreement, shall bear interest at the highest applicable rate under the promissory note or credit agreement, and shall be paid to Lender by the other party or parties signing this Agreement on demand. The attorney fees and expenses covered by this paragraph include without limitation all of Lender's attorney fees (including the fees charged by Lender's in-house attorneys, calculated at hourly rates charged by attorneys in private practice with comparable skill and experience), Lender's fees and expenses for bankruptcy proceedings (including efforts to modify, vacate, or obtain relief from any automatic stay), fees and expenses for Lender's post-judgment collection activities, Lender's cost of searching lien records, searching public record databases, on-line computer legal research, title reports, surveyor reports, appraisal reports, collateral inspection reports, title insurance, and bonds issued to protect Lender's collateral, all to the fullest extent allowed by law.

**GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MODIFICATION OF DEED OF TRUST AND GRANTOR AGREES TO ITS TERMS. THIS MODIFICATION OF DEED OF TRUST IS DATED JUNE 15, 2016.**

MODIFICATION OF DEED OF TRUST  
(Continued)

Page 3

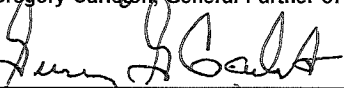
GRANTOR:

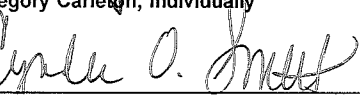
CARLETON FARMS

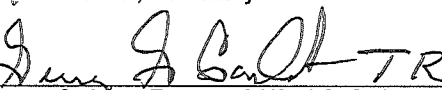
By:   
Richmond Carleton, General Partner of Carleton Farms

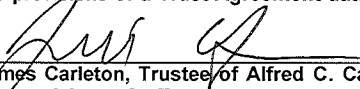
By:   
James Carleton, General Partner of Carleton Farms

By:   
Gregory Carleton, General Partner of Carleton Farms

x   
Gregory Carleton, Individually


x   
Cyndee O. Smith, Individually

x  TR  
Gregory Carleton, Trustee of Alfred C. Carleton and Helen A. Carleton Trust under  
the provisions of a Trust Agreement dated July 25, 1985

x   
James Carleton, Trustee of Alfred C. Carleton and Helen A. Carleton Trust under  
the provisions of a Trust Agreement dated July 25, 1985

LENDER:

UMPQUA BANK

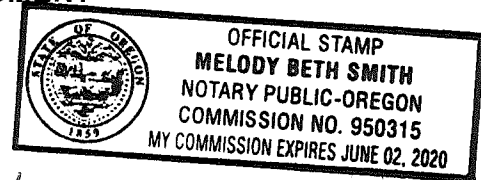
x   
Authorized Officer

MODIFICATION OF DEED OF TRUST  
(Continued)

Page 4

PARTNERSHIP ACKNOWLEDGMENT

STATE OF Oregon )  
 ) SS  
COUNTY OF Klamath )



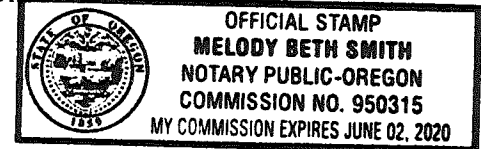
On this 22nd day of June, 20 16, before me, the undersigned Notary Public, personally appeared Richmond Carleton, General Partner of Carleton Farms, and known to me to be a partner or designated agent of the partnership that executed the Modification of Deed of Trust and acknowledged the Modification to be the free and voluntary act and deed of the partnership, by authority of statute or its Partnership Agreement, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this Modification and in fact executed the Modification on behalf of the partnership.

By Melody Beth Smith  
Notary Public in and for the State of Oregon

Residing at Merrill, OR 97633  
My commission expires 06-02-2020

PARTNERSHIP ACKNOWLEDGMENT

STATE OF Oregon )  
 ) SS  
COUNTY OF Klamath )



On this 28th day of June, 20 16, before me, the undersigned Notary Public, personally appeared James Carleton, General Partner of Carleton Farms, and known to me to be a partner or designated agent of the partnership that executed the Modification of Deed of Trust and acknowledged the Modification to be the free and voluntary act and deed of the partnership, by authority of statute or its Partnership Agreement, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this Modification and in fact executed the Modification on behalf of the partnership.

By Melody Beth Smith  
Notary Public in and for the State of Oregon

Residing at Merrill, OR 97633  
My commission expires 06-02-2020

PARTNERSHIP ACKNOWLEDGMENT

STATE OF Oregon )  
 ) SS  
COUNTY OF Klamath )



On this 22nd day of June, 20 16, before me, the undersigned Notary Public, personally appeared Gregory Carleton, General Partner of Carleton Farms, and known to me to be a partner or designated agent of the partnership that executed the Modification of Deed of Trust and acknowledged the Modification to be the free and voluntary act and deed of the partnership, by authority of statute or its Partnership Agreement, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this Modification and in fact executed the Modification on behalf of the partnership.

By Gerald B. Miles  
Notary Public in and for the State of Oregon

Residing at Klamath Falls  
My commission expires 1-25-2020

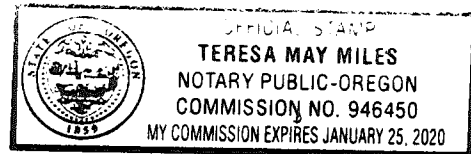
MODIFICATION OF DEED OF TRUST  
(Continued)

Page 5

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Oregon  
COUNTY OF Klamath

)  
) SS  
)



On this day before me, the undersigned Notary Public, personally appeared Gregory Carleton, to me known to be the individual described in and who executed the Modification of Deed of Trust, and acknowledged that he or she signed the Modification as his or her free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 22nd day of June, 20 16.

By Teresa M. Miles

Residing at Klamath Falls

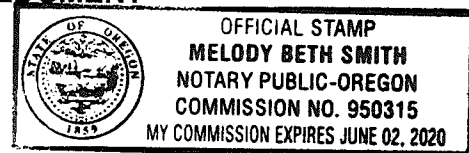
Notary Public in and for the State of Oregon

My commission expires 1-25-2020

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Oregon  
COUNTY OF Klamath

)  
) SS  
)



On this day before me, the undersigned Notary Public, personally appeared Cyndee O. Smith, to me known to be the individual described in and who executed the Modification of Deed of Trust, and acknowledged that he or she signed the Modification as his or her free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 22nd day of June, 20 16.

By Melody Beth Smith

Residing at Wenatch, OR 97633

Notary Public in and for the State of Oregon

My commission expires 06-02-2020

TRUST ACKNOWLEDGMENT

STATE OF Oregon  
COUNTY OF Klamath

)  
) SS  
)



On this 22nd day of June, 20 16, before me, the undersigned Notary Public, personally appeared Gregory Carleton, Trustee of Alfred C. Carleton and Helen A. Carleton Trust, and known to me to be an authorized trustee or agent of the trust that executed the Modification of Deed of Trust and acknowledged the Modification to be the free and voluntary act and deed of the trust, by authority set forth in the trust documents or, by authority of statute, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this Modification and in fact executed the Modification on behalf of the trust.

By Teresa M. Miles

Residing at Klamath Falls

Notary Public in and for the State of Oregon

My commission expires 1-25-2020

MODIFICATION OF DEED OF TRUST  
(Continued)

Page 6

TRUST ACKNOWLEDGMENT

STATE OF Oregon  
COUNTY OF Klamath

)  
) SS  
)



On this 28th day of June, 20 16, before me, the undersigned Notary Public, personally appeared James Carleton, Trustee of Alfred C. Carleton and Helen A. Carleton Trust, and known to me to be an authorized trustee or agent of the trust that executed the Modification of Deed of Trust and acknowledged the Modification to be the free and voluntary act and deed of the trust, by authority set forth in the trust documents or, by authority of statute, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this Modification and in fact executed the Modification on behalf of the trust.

By Melody Smith  
Notary Public in and for the State of Oregon

Residing at Medford, OR 97504  
My commission expires 06-02-2020

LENDER ACKNOWLEDGMENT

STATE OF Oregon  
COUNTY OF Klamath

)  
) SS  
)



On this 28 day of June, 20 20, before me, the undersigned Notary Public, personally appeared Jeff Vieira and known to me to be the Senior Vice President, authorized agent for Umpqua Bank that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of Umpqua Bank, duly authorized by Umpqua Bank through its board of directors or otherwise, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this said instrument and in fact executed this said instrument on behalf of Umpqua Bank.

By Teresa M. Miles  
Notary Public in and for the State of Oregon

Residing at Klamath Falls  
My commission expires 1-25-2020

## EXHIBIT "A"

PARCEL 1: All that portion of the S1/2 SE1/4 lying North of the Burlington Northern Railroad, and that portion of the SW1/4 NE1/4 lying Southerly of the Klamath Irrigation District Canal, and also the N1/2 SE1/4, EXCEPTING THEREFROM that portion deeded to the United States recorded October 13, 1908 in Volume 25, page 135, Deed Records of Klamath County, Oregon, all in Section 1 in Township 41 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 2: Parcels 1 and 3 of Land Partition 16-14 situated in the N 1/2 SW 1/4 of Section 1, Township 41 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon, recorded September 18, 2014 in Book 2014, page 009711, records of Klamath County, Oregon.

PARCEL 3: Commencing at the Southwest corner of Section 31, Township 40 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon, and extending thence East along the South section line of said Section 31 a distance of 1320 feet, more or less, to a point in the center line of a certain private drain ditch, which point is the true point of beginning; extending thence North along the line of said drain ditch to its intersection with the center line of the U.S. Bureau of Reclamation "D" Canal, formerly the "Adams Canal"; thence Southeasterly along the center line of said "D" Canal to the North line of the SW1/4 SE1/4 of said Section 31; thence East along the North line of said SW1/4 SE1/4 to the East line of said SW1/4 SE1/4; thence South along the East line of said SW1/4 SE1/4 to the South section line of said Section 31; thence West along said South section line of said Section 31 a distance of 2640 feet, more or less, to the true point of beginning.

Excepting therefrom any portion lying within the boundaries of Anderson Road and Bureau of Reclamation canals, drains or ditches.

Also excepting therefrom the following:

A Parcel of land in Section 31, Township 40 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon, being more particularly described as follows:

Commencing at the Southwest corner of Section 31 and running along the Southerly section line, East 2239.94 feet; thence North 30.00 feet to the Northerly right of way line of Anderson Road and the point of beginning; thence North 304.67 feet; thence East 460.00 feet; thence South 304.67 feet to the Northerly right of way line of Anderson Road; thence along said right of way line, West 460.00 feet to the point of beginning.

Together with that portion of the SE1/4 SE1/4 of Section 31, Township 40 South, Range 11 East of the Willamette Meridian, lying Westerly of the USBR "D" Canal right of way, in the County of Klamath, State of Oregon.

Excepting therefrom any portion lying within the boundary of County Road 984 (Anderson Road).

PARCEL 4: Commencing at the Southwest corner of Section 31, Township 40 South, Range 11 East of the Willamette Meridian, and extending thence North along the West section line of said Section 31 to the East-West center line of said Section 31; thence East along said center line to the Southeast corner of the W1/2 SW1/4 NW1/4 of said Section 31; thence North along the East line of said W1/2 SW1/4 NW1/4 to the center line of the U.S. Bureau of Reclamation "D" Canal, formerly the "Adams" Canal; thence Southeasterly along the center line of said "D" Canal to the center line of a certain private drain ditch located 1320 feet, more or less, East of the West line of said Section 31; thence South along the center line of said drain ditch to the South section line of said Section 31; thence West along said South section line 1320 feet, more or less, to the point of beginning.

PARCEL 5: The NW1/4 of Section 36, Township 40 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon, except the following:

A. That portion of the S1/2 NW1/4 of Section 36, lying and being Southerly and Westerly of the Klamath Irrigation District Drain right of way which crosses said S1/2 NW1/4.

B. That portion of the NW1/4 NW1/4 lying and being North of the United States "D" Canal right of way.

C. That portion of the NW1/4 NW1/4 described as follows:

Beginning at the intersection of the section line between Sections 35 and 36 in said Township and Range and the right of way line of the South side of said canal; thence South along said section line 305.5 feet; thence East 714 feet; thence North parallel to said section line to the said South right of way line of said canal; and thence Westerly along said right of way line of said canal to the point of beginning.

D. Any portion lying within the boundaries of Taylor Road, Anderson Road and Bureau of Reclamation canals, drains or ditches.

PARCEL 6: All of Lots 2 and 7 and that portion of Lots 1 and 8 lying in and corresponding to the SE1/4 NE1/4 of Section 11, Township 41 South, Range 11 East of the Willamette Meridian, said tract also being described as S1/2



NE1/4 of Section 11, Township 41 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 7: Lot 13 of MERRILL TRACTS, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon. SAVING AND EXCEPTING THEREFROM the following.

Beginning at the Northwest corner of said Lot 13, thence North  $89^{\circ} 46' 46''$  East, along the North line of said Lot 13, 73.17 feet, thence South  $00^{\circ} 53' 10''$  East 330.02 feet to a point on the South line of said Lot 13, thence South  $89^{\circ} 46' 46''$  West 75.60 feet to the Southwest corner of said Lot 13, thence North  $00^{\circ} 27' 48''$  West 330.00 feet to the point of beginning.

PARCEL 8: E1/2 SW1/4 of Section 36, Township 40 South, Range 10 East, Willamette Meridian, Klamath County, Oregon. SAVING AND EXCEPTING therefrom the following described parcel:

Beginning at the Southeast corner of said SW1/4, said point of beginning being on the North right of way line of existing county road; thence Northerly along the Westerly right of way line of the existing canal a distance of 600 feet; thence Westerly a distance of 200 feet; thence South and parallel to the Westerly right of way line of said canal a distance of 600 feet to the Northerly right of way line of the county road; thence East along said Northerly right of way line a distance of 200 feet, more or less, to the point of beginning. ALSO SAVING AND EXCEPTING any portion conveyed to the United States of America for ditches, canals, drains or laterals.

PARCEL 9: Lot 16 in Block 2 of TRACT NO. 1099, ROLLING HILLS, according to the official plat thereof on file in the office of the County Clerk, Klamath County, Oregon.