

2018-000570  
Klamath County, Oregon  
01/16/2018 03:07:01 PM  
Fee: \$87.00

**RECORDING COVER SHEET** (Please print or type)  
This cover sheet was prepared by the person presenting the instrument for recording. The information on this sheet is a reflection of the attached instrument and was added for the purpose of meeting first page recording requirements in the State of Oregon, and does NOT affect the instrument.

**After recording return to:**

Northwest FCS-Salem  
650 Hawthorne Ave SE, Ste 210  
Salem, OR 97301

**1. Title(s) of the transaction(s)**

Modification of Line of Credit Deed of Trust  
Modification of Fixture Filing

*This space reserved for use by  
Recording Office*

**2. Direct Party / Grantor(s)**

HWN-KF'S-Antarctica, LLC, PO Box 489, Klamath Falls, Oregon 97601  
Cerule, LLC, PO Box 489, Klamath Falls, Oregon 97601

**3. Indirect Party / Grantee(s)**

Northwest Farm Credit Services, PCA

**4. True and actual consideration:**

\$ N/A

**5. Previously recorded document reference: 2016-008177**

**6. If this instrument is being re-recorded complete the following statement:**

Rerecorded at the request of \_\_\_\_\_  
to correct \_\_\_\_\_  
previously recorded in book \_\_\_\_\_ and page \_\_\_\_\_, or as fee number \_\_\_\_\_.

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 and Fixture Filing  
(Cerule, LLC/Note No. 6089206)

**MODIFICATION OF LINE OF CREDIT DEED OF TRUST  
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 \$900,000.00. 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 1, 2022 (EXCLUSIVE OF THE OPTION TO RENEW OR EXTEND).

This Modification of Line of Credit Deed of Trust and Fixture Filing (this "Modification"), dated as of December 1, 2017, is made by and between **HWN-KF'S-Antarctica, LLC**, a Limited Liability Company and **Cerule, LLC**, a Limited Liability Company, which acquired title as Desert Lake Technologies, LLC, a Limited Liability Company (collectively, "Grantor"), whose address is PO Box 489, Klamath Falls, Oregon 97601, and **Northwest Farm Credit Services, PCA**, a corporation organized and existing under the laws of the United States ("Beneficiary"), whose address is 2001 South Flint Road, Spokane, WA 99224-9198, P. O. Box 2515, Spokane, WA 99220-2515.

**WHEREAS**, a Line of Credit Deed of Trust, dated August 1, 2016 was executed in favor of Beneficiary, which was recorded on August 2, 2016, as Instrument No(s). 2016-008177 in the Official Records of Klamath County, Oregon (as modified, amended or restated, 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 Note dated September 8, 2015, payable to the order of Beneficiary, in the initial face principal amount of Seven Hundred Thousand and No/100 Dollars (\$700,000.00), as amended (the "Note").

**WHEREAS**, the parties hereto are amending the Note pursuant to that certain Restructure Agreement dated on or around even date herewith (and as it may be extended, renewed, modified, amended or restated from time to time, the "Agreement") 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 Agreement.

**WHEREAS**, the obligations secured by the Deed of Trust are now hereby described as follows:

**3.1 Secured Obligations.** This Deed of Trust, and the lien it creates, is made for the purpose of securing the following obligations (collectively the "Secured Obligations"):

a. The full and punctual payment of the indebtedness evidenced by that certain note(s) described below, in favor of Beneficiary (the "Note(s)") with interest thereon at the rates therein provided which interest rate and payment terms may be adjusted as provided in the Note(s) and Loan Documents, together with any and all renewals, modifications, consolidations and extensions of the indebtedness evidenced by the Note(s), as well as any prepayment fees provided for in the Note(s) or as it may be amended to provide for such prepayment fees;

<b>Note No.</b>	<b>Date of Note</b>	<b>Principal Amount</b>	<b>Final Installment Date</b>
6089206	September 8, 2015	\$900,000.00	December 1, 2022

b. Payment and performance of the obligations under the Note(s) and Loan Documents (including future advances) and under any and all other present and future agreements executed in relation to the Note(s);

Modification of Line of Credit Deed of Trust and Fixture Filing  
(Cerule, LLC/Note No. 6089206)

c. Payment of such additional sums with interest thereon as may be due to Trustee or Beneficiary under any provisions of this Deed of Trust;

d. Payment of all indebtedness and performance of all other obligations which the then record owner of the Collateral may agree to pay and perform for the benefit of Beneficiary, and which are contained in a document which recites that it is secured by this Deed of Trust;

e. Payment of all amounts advanced by (or on behalf of) Beneficiary or Trustee to improve, protect or preserve the Collateral or the security of this Deed of Trust, with interest on such amounts as provided in this Deed of Trust;

f. Payment and performance of all amendments, modifications, extensions, renewals and replacements of any of the foregoing; and

g. Payment of charges as allowed by law, when such charges are made for any Beneficiary statement or other statement regarding the Secured Obligations.

**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 Agreement.
- 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.

**2.6 WAIVER OF JURY TRIAL.** GRANTOR HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS LOAN DOCUMENT OR ANY OTHER LOAN DOCUMENTS AND ANY FUTURE MODIFICATIONS, AMENDMENTS, EXTENSIONS, RESTATEMENTS AND SERVICING ACTIONS RELATING TO THIS LOAN DOCUMENT AND ANY OTHER LOAN DOCUMENTS. IT IS INTENDED THAT THIS JURY WAIVER WILL BE ENFORCED TO THE MAXIMUM EXTENT ALLOWED BY LAW.

**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:**

HWN-KF'S-Antarctica, LLC, a Limited Liability Company

By: Cerule, LLC, a Limited Liability Company, Member

By:   
\_\_\_\_\_  
Gregory S. Newman, Manager

Cerule, LLC, a Limited Liability Company

By:   
\_\_\_\_\_  
Gregory S. Newman, Manager

**BENEFICIARY:**

Northwest Farm Credit Services, PCA

By:   
\_\_\_\_\_  
Authorized Agent

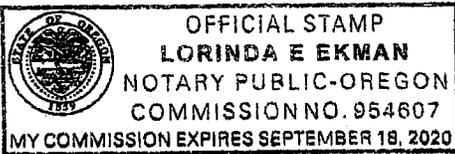
STATE OF Oregon )

)ss.

County of Klamath )

On this 18<sup>th</sup> day of December, 2017, before me personally appeared Gregory S. Newman, known to me to be the manager of Cerule, LLC, the limited liability company that executed the within instrument as a member in HWN-KF'S-Antarctica, LLC, the limited liability company that executed the within instrument, and acknowledged that such limited liability company executed the same as such member and in the company name freely and voluntarily, and on oath stated that he/she was authorized to execute said instrument.

Lorinda E. Ekman  
Notary Public for the State of Oregon  
Residing at 2391 Joe Wright Rd., Klamath Falls, OR  
My commission expires 9/18/2020  
Printed Name Lorinda E. Ekman



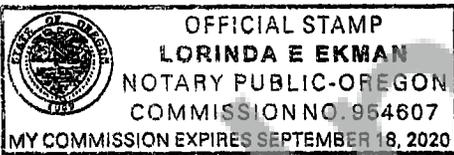
STATE OF Oregon )

)ss.

County of Klamath )

On this 18<sup>th</sup> day of December, 2017, before me personally appeared Gregory S. Newman, known to me to be a manager in Cerule, 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.

Lorinda E. Ekman  
Notary Public for the State of Oregon  
Residing at 2391 Joe Wright Rd., Klamath Falls, OR  
My commission expires 9/18/2020  
Printed Name Lorinda E. Ekman



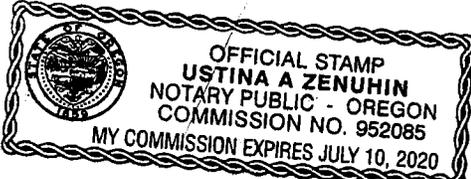
STATE OF OREGON )

)ss.

County of MARION )

On this 11<sup>TH</sup> day of JANUARY, 2018 before me personally appeared EMILY DUERST, 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 execute said instrument.

Notary Public for the State of OREGON  
Residing at SALEM, OR  
My commission expires 07-10-2020  
Printed Name USTINA ZENUHIN



Modification of Line of Credit Deed of Trust and Fixture Filing  
(Cerule, LLC/Note No. 6089206)

STATE OF \_\_\_\_\_ )  
 )ss.  
County of \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, before me personally appeared Gregory S. Newman, known to me to be the manager of Cerule, LLC, the limited liability company that executed the within instrument as a member in HWN-KF'S-Antarctica, LLC, the limited liability company that executed the within instrument, and acknowledged that such limited liability company executed the same as such member and in the company name freely and voluntarily, and on oath stated that he/she was authorized to execute said instrument.

\_\_\_\_\_  
Notary Public for the State of \_\_\_\_\_  
Residing at \_\_\_\_\_  
My commission expires \_\_\_\_\_  
Printed Name \_\_\_\_\_

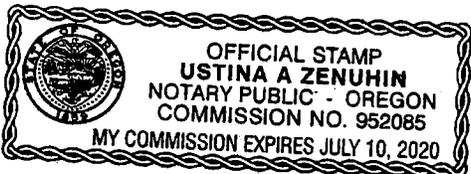
STATE OF \_\_\_\_\_ )  
 )ss.  
County of \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me personally appeared Gregory S. Newman, known to me to be a manager in Cerule, 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.

\_\_\_\_\_  
Notary Public for the State of \_\_\_\_\_  
Residing at \_\_\_\_\_  
My commission expires \_\_\_\_\_  
Printed Name \_\_\_\_\_

STATE OF OREGON )  
 )ss.  
County of MARION )

On this 11<sup>TH</sup> day of JANUARY, 2018 before me personally appeared FAMILY DUERST, 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.



[Signature]  
\_\_\_\_\_  
Notary Public for the State of OREGON  
Residing at SARASOTA, FL  
My commission expires 07-10-2020  
Printed Name USTINA ZENUHIN

Modification of Line of Credit Deed of Trust and Fixture Filing  
(Cerule, LLC/Note No. 6089206)

**EXHIBIT A  
PROPERTY DESCRIPTION**

**PARCEL 1: (KENO FACILITY)**

Parcel 1 of Land Partition 43-95 situated in Government Lot 1 (NW1/4 NE1/4) Section 7, Township 40 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon.

**PARCEL 2: (AVALON)**

Lots 13, 14, and 15 in Block 4 of FIRST ADDITION TO ALTAMONT ACRES, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon, TOGETHER WITH vacated Maryland Avenue (formerly Tappen Avenue), which inures by law thereto

**PARCEL 3: (WASHBURN)**

A tract of land situated in the SW1/4 of NW1/4 of Section 10, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon and Lot 7 in Block 4 of THIRD ADDITION TO ALTAMONT ACRES. Beginning at a point that is 327 feet North of the intersection of the North line of LaVerne Street and the East line of Washburn Way; thence South along the East line of Washburn Way 100 feet; thence East parallel to the North line of LaVerne Street to the West line of Lot 10 in Block 4 of THIRD ADDITION TO ALTAMONT ACRES; thence North along said West line 54.6 feet to the Northwest corner of said Lot 10; thence East along the North line of Lots 8, 9 and 10 in Block 4, 300 feet to the West line of Avalon Street; thence North along said street 45.4 feet; thence West parallel to the North line of LaVerne Street to the point of beginning.

EXCEPTING THEREFROM the following described parcel: Beginning at the Northwest corner of said Lot 10; thence East along the North line of Lots 8, 9 and 10, Block 4, 300 feet to the West line of Avalon Street; thence North along said street 45.4 feet; thence West parallel to the North line of LaVerne Street to a point on the West line of Lot 7, Block 4, THIRD ADDITION TO ALTAMONT ACRES, thence South along the West line of said Lot 7 to the point of beginning.

FURTHER EXCEPTING that portion deeded to the State of Oregon for highway purposes by instrument recorded September 10, 1965 in Volume M65, page 1556, Microfilm Records of Klamath County, Oregon.

**PARCEL 4: (COVE)**

Government Lots 2 and 4 of Section 13, Township 38 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon, BUT EXCEPTING THEREFROM the Northerly and Northeasterly parts thereof deeded to R. W. Browning, et ux., by deed recorded in Deed Volume 210, page 321, Klamath County, Oregon.

ALSO, that part of Government Lot 3, Section 13, Township 38 South, Range 8 East of the Willamette Meridian which lies Northeasterly of the right of way of the Central Pacific Railway Company.

TOGETHER WITH that portion of Parcel 1, Land Partition 35-98, in N1/2, Section 33, Township 38 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon. Conveyed to Klamath Veneer, Inc., an Oregon Corporation, to complete Property Line Adjustment 9-00, by Deed recorded June 2, 2000 in Volume M00, page 19996, being more particularly described as follows:

Commencing at the Southwest corner of the NE1/4 NE1/4 of Section 13, Township 38 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon; thence along the South line of said NE1/4 NE1/4 of said Section 13, North 89°37'10" East 338.20 feet to a 5/8 inch iron rod; thence South 00°22'50" East 185.41 feet to a 5/8 inch iron rod which is the true point of beginning for this description; thence South 80°41'50" East 38.30 feet to a 5/8 inch iron rod; thence South 61°49'50" East 122.52 feet to a 5/8 inch iron rod; thence South 89°37'10" West 644.05 feet; thence North 11°05'34" East 54.41 feet to a 5/8 inch iron rod; thence North 75°39'14" East 132.52 feet; thence North 88°12'14" East 209.19 feet; thence South 80°42'14" East 152.23 feet to the true point of beginning.

AND EXCEPTING THEREFROM that portion thereof conveyed to Cynthia Bourgeau and Kriss Wessling to complete Property Line Adjustment 9-00, by Deed recorded June 2, 2000 in Volume M00, page 19998, being more particularly described as follows:

A parcel of land situated in the SW1/4 NE1/4 of Section 13, Township 38 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon, being more particularly described as follows:

Commencing at a 5/8 inch iron rod marking the Southeast corner of Parcel 1 of Klamath County Land Partition 35-98 which bears South 72°58'30" West 873.82 feet from the center ¼ corner of said Section 13; thence South 89°37'10" West 937.66 feet to ½ inch iron rod which is the true point of beginning for this description; thence continuing South 89°37'10" West 65.11 feet, more or less, to the mean high water line of Upper Klamath Lake; thence Southeasterly along said mean high water line 353 feet, more or less, to a 5/8 inch iron rod; thence North 11°05'34" East 101.70 feet; thence South 89°37'10" West 293.61 feet to the true point of beginning.

**PARCEL 5: (COLD STORAGE)**

Lots 6A, 6B, 7A, 7B, 8A, 8B and 9A in Block 3 of RAILROAD ADDITION TO THE CITY OF KLAMATH FALLS, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

**PARCEL 6: (COLD STORAGE)**

Lots 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12 in Block 11 of RAILROAD ADDITION TO THE CITY OF KLAMATH FALLS, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

Lots 6, 7, 8, and 9 in Block 19 and Lots 1, 2, 3, 4 and 5 in Block 20 of SECOND RAILROAD ADDITION TO THE CITY OF KLAMATH FALLS, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

All of Vacated Lake Street being bounded on the North by the South line of Lot 5 in Block 20 of Second Railroad Addition, on the West by the East line of Spring Street on the South by the North line of Lot 6 in Block 19 of Second Railroad Addition, and on the East by West line of the Southern Pacific Railroad right of way, all in Second Railroad Addition to the City of Klamath Falls, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

Modification of Line of Credit Deed of Trust and Fixture Filing  
(Cerule, LLC/Note No. 6089206)

Code No.	Tax ID	Map No.	Address	Parcel	Property Name
021; 052	R897464	R-4008-00700-00400-000		Parcel 1	Keno
021; 052	R619414	R-4008-00700-00400-000	12742 Keno Worden Rd	Parcel 1	Keno
052; 021	R585272	R-4008-00700-00400-000	12742 Keno Worden Rd	Parcel 1	Keno
041	R527923	R-3909-003CD-05200-000	2859 Avalon St	Parcel 2	Avalon
	P895590	R-3909-003CD-05200-000		Parcel 2	Avalon
041	R542498	R-3909-010BC-02600-000	3735 Washburn Way	Parcel 3	Washburn
	P894163	R-3909-010BC-02600-000		Parcel 3	Washburn
183	R421706	R-3808-01300-00800-000	4605 Lakeport Blvd	Parcel 4	Cove
001	R414634	R-3809-033BB-06500-000	242 Market Street	Parcel 5	Cold Storage
001	R414643	R-3809-033BB-06700-000	292 Market Street	Parcel 5	Cold Storage
001	R414652	R-3809-033BB-06600-000	284 Market Street	Parcel 5	Cold Storage
001	R897468	R-3809-033BC-00500-000		Parcel 6	Cold Storage
001	R478227	R-3809-033BC-00400-000		Parcel 6	Cold Storage
001	R478236	R-3809-033BC-00500-000		Parcel 6	Cold Storage
001	R478469	R-3809-033BC-00600-000		Parcel 6	Cold Storage

Modification of Line of Credit Deed of Trust and Fixture Filing  
(Cerule, LLC/Note No. 6089206)