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State of Oregon, County of Klamath
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Vol M05 Pg 20380-82
Linda Smith, County Clerk
Fee \$ 3/a # of Pgs 3

Recording Requested By
and when Recorded, send to:

Bank of America, N.A.
CA9-703-11-23
Client Credit Services
333 South Beaudry Avenue, 11th Floor
Los Angeles, California 90017
Loan Number: 9392855110

1st 76501

SHORT FORM LOAN MODIFICATION AGREEMENT

18 ^{pm} 1. This Short Form Loan Modification Agreement ("Agreement") is made as of the 18 day of March 2005, by and between BANK OF AMERICA, N. A. ("Beneficiary"), and McMahan of San Fernando, a California corporation ("Grantor") with respect to a loan ("Loan") and obligations secured by that certain Second Deed of Trust ("Deed of Trust") dated October 1, 2003 by Grantor, in favor of Beneficiary, and recorded October 15, 2003 in Vol M03, page 76878 of Official Records of Klamath County, Oregon, encumbering the property described in Exhibit A attached to the Deed of Trust and other property.

2. Grantor, G&S Co., a California general partnership as Borrower, and Beneficiary, as Lender, and other parties have entered into a Loan Modification Agreement of even date herewith, which is incorporated into this Agreement by this reference, the same as though set forth in full.

3. The Loan is amended on the terms and subject to the conditions in the Modification Agreement. Among other things, the Maturity Date of the Loan has been extended to June 30, 2006. The Deed of Trust secures payment and performance of the Loan as amended to date, in addition to all other Secured Indebtedness as described therein.

IN WITNESS WHEREOF, Grantor and Beneficiary have executed and delivered this Agreement as of the date set forth above.

BANK:

Bank of America, N.A.

By: ^{DF.} Donald Farris
Donald Farris, Senior Vice President

GRANTOR:

McMahan of San Fernando,
a California corporation

By: J. Taylor Ganz
Name: J. Taylor Ganz,
Title: Vice President

[NOTARY ACKNOWLEDGMENT ON NEXT PAGE.]

31F

STATE OF California)
) ss
COUNTY OF Los Angeles)

20381

On March 18, 2005, before me, Melissa C. Driscoll, a Notary Public in and for said County and State, personally appeared J. Taylor Ganz, personally known to me (~~or proved to me on the basis of satisfactory evidence~~) to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Melissa C. Driscoll
Notary Public



STATE OF California)
) ss
COUNTY OF Los Angeles)

On March 24, 2005, before me, Maryam Shah-Hosseini, a Notary Public in and for said County and State, personally appeared Donald Ferris, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Maryam Shah-Hosseini
Notary Public

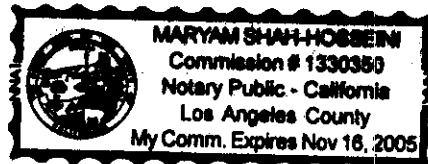


Exhibit "A"**20382**

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

Parcel 1:

A tract of land described as follows: Beginning at an iron pin which marks the Northeast corner of Tract 63 of Roland Park and which iron pin lies North 0°51' West along the 40 line a distance of 542.3 feet and North 89°09' East a distance of 287.2 feet from the iron axle which marks the Southwest corner of the NE 1/4 SW 1/4 of Section 1, Township 39 South, Range 9 East of the Willamette Meridian, and running thence North 45°09' East a distance of 299.6 feet to an iron pin which lies on the Southwesterly right of way line of the State Highway, 40 feet at right angles from the brass plug in the center line of the highway; thence in a Northwesterly direction following a 3°11' curve to the left along the Southwesterly right of way line of the State Highway a distance of 150 feet (the long chord of this curve bears North 48°32' West a distance of 149.96 feet) to an iron pin; thence South 45°09' West a distance of 221.6 feet to an iron pin; thence South 20°18' East a distance of 164.5 feet, more or less, to the point of beginning, said tract being a portion of the NE 1/4 SW 1/4 of Sec. 1, Twp. 39 S., R. 9 E.W.M., and

Beginning at an iron pin which marks the Southeast corner of Tract 63, Roland Park, and which iron pin lies North 0°51' West along the 40 line a distance of 462.3 feet and North 89°09' East a distance of 262.2 feet from the iron axle which marks the Southwest corner of the NE 1/4 SW 1/4 of Section 1, Township 39 South, Range 9 East of the Willamette Meridian, and running thence North 16°33' East along the Easterly line of above mentioned Tract 63, a distance of 83.8 feet to an iron pin; thence North 45°09' East a distance of 299.6 feet to an iron pin on the Southerly right of way line of the Klamath Falls-Lakeview Highway; thence following the Southerly right of way line of the highway the following bearings and distances; South 46°09' East a distance of 13.5 feet to an iron pin; thence North 43°51' East a distance of 10 feet to an iron pin; and South 46°09' East a distance of 216.5 feet to an iron pin; thence South 43°51' West a distance of 384 feet to an iron pin; thence North 46°09' West a distance of 198.4 feet more or less to the point of beginning, said tract in the NE 1/4 SW 1/4 of Section 1, Township 39 South, Range 9 East of the Willamette Meridian.

EXCEPTING THEREFROM, that tract conveyed to the State of Oregon in Deed recorded January 11, 1972 in Volume M-72 on page 342, Deed records of Klamath County, Oregon.

Parcel 2:

A tract of land situated in the NE 1/4 SW 1/4 of Section 1, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, being more particularly described as follows:

Beginning at a point situated N. 00°51' W. 462.3 feet, N. 89°06' E. 262.2 feet, and S. 46°09' E. 198.4 feet from the Southwest corner of the said NE 1/4 SW 1/4 of Section 1; thence continuing S. 46°09' E. 106.00 feet; thence N. 43°51' E. 150.00 feet; thence N. 46°09' W. 106.00 feet; thence S. 43°51' W. 150.00 feet to the point of beginning, containing 0.37 acres, with bearings based on recorded Survey No. 625, as recorded in the office of the Klamath County Surveyor.

Tax Parcel Number: R508105