

RECORDATION REQUESTED BY:

South Valley Bank & Trust
Commercial Branch
P O Box 5210
Klamath Falls, OR 97601

2006-018083

Klamath County, Oregon



00003235200600180830030035

09/07/2006 03:52:59 PM

Fee: \$31.00

WHEN RECORDED MAIL TO:

South Valley Bank & Trust
Commercial Branch
P O Box 5210
Klamath Falls, OR 97601

SEND TAX NOTICES TO:

South Valley Bank & Trust
Commercial Branch
P O Box 5210
Klamath Falls, OR 97601

MTCT4399

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF DEED OF TRUST



THIS MODIFICATION OF DEED OF TRUST dated August 11, 2006, is made and executed between between Happy Ranch Enterprises, LLC, an Oregon limited liability company ("Grantor") and South Valley Bank & Trust, whose address is Commercial Branch, P O Box 5210, Klamath Falls, OR 97601 ("Lender").

DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated April 28, 2006 (the "Deed of Trust") which has been recorded in Klamath County, State of Oregon, as follows:

Recorded on May 5, 2006, in the office of the Klamath County Clerk, in Volume M06 page 08948.

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 217-219 N 5th St., Klamath Falls, OR 97601.

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

Term out line of credit, correct Grantor vesting from Craig S. McGeary and Deborah McGeary, husband and wife to Happy Ranch Enterprises, LLC, recorded in Volume M06-11077 on May 31, 2006. Extend the maturity to July 2, 2011.

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 endorsers 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.

CROSS-COLLATERALIZATION. In addition to the Note, this Agreement secures all obligations, debts and liabilities, plus interest thereon, of Grantor to Lender, or any one or more of them, as well as all claims by Lender against Grantor or any one or more of them, whether now existing or hereafter arising, whether related or unrelated to the purpose of the Note, whether voluntary or otherwise, whether due or not due, direct or indirect, absolute or contingent, liquidated or unliquidated and whether Grantor may be liable individually or jointly with others, whether obligated as guarantor, surety, accomodation party or otherwise, and whether recovery upon such amounts may be or hereafter may become barred by any statute of limitations, and whether the obligation to repay such amounts may be or hereafter may become otherwise unenforceable.

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 AUGUST 11, 2006.

GRANTOR:

x Craig S. McGeary
Craig S. McGeary

x Deborah McGeary
Deborah McGeary

LENDER:

SOUTH VALLEY BANK & TRUST

x Authorized Officer
Authorized Officer

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MODIFICATION OF DEED OF TRUST
(Continued)

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INDIVIDUAL ACKNOWLEDGMENT

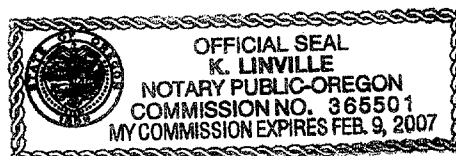
STATE OF OREGON

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COUNTY OF KLAMATH

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On this day before me, the undersigned Notary Public, personally appeared **Craig S. McGeary and Deborah McGeary**, to me known to be the individuals described in and who executed the Modification of Deed of Trust, and acknowledged that they signed the Modification as their free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 7th day of September, 20 06.

By [Signature]

Residing at Klamath Falls, OR 97601

Notary Public in and for the State of Oregon

My commission expires 2/9/2007

LENDER ACKNOWLEDGMENT

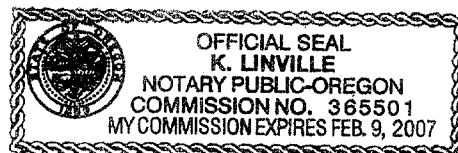
STATE OF OREGON

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COUNTY OF KLAMATH

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On this 7TH day of September, 20 06, before me, the undersigned Notary Public, personally appeared Chuck Paulsen and known to me to be the Loan Officer

authorized agent for the Lender that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of the said Lender, duly authorized by the Lender 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 that the seal affixed is the corporate seal of said Lender.

By [Signature]

Residing at Klamath Falls, OR 97601

Notary Public in and for the State of Oregon

My commission expires 2/9/2007


EXHIBIT "A"
LEGAL DESCRIPTION

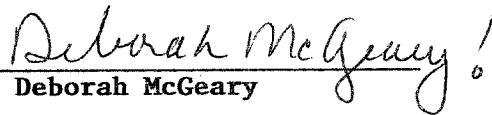
A portion of Lots 3 and 4 in Block 9 of the Original Town of Linkville, now City of Klamath Falls, Oregon, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon, described as follows:

Beginning at the Southwesterly corner of Lot 4, being the corner of 5th and Pine Streets, thence Northwesterly along the Northeasterly line of 5th Street 70 feet to the true point of beginning of this description; thence continuing Northwesterly along the Northeasterly line of 5th Street 50 feet to the Westerly corner of Lot 4; thence Northeasterly along the Northerly line of Lots 3 and 4, 70 feet; thence Southeasterly and parallel with 5th Street, 50 feet; thence Southwesterly and parallel with Pine Street 70 feet, more or less, to the point of beginning.

Tax Account No: 3809-032AB-12000-000

Key No: 412592


Craig S. McGeary


Deborah McGeary