

2006-020874
Klamath County, Oregon

RECORDATION REQUESTED BY:

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



10/17/2006 03:49:56 PM

Fee: \$26.00

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

72475 SH

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF DEED OF TRUST



THIS MODIFICATION OF DEED OF TRUST dated October 16, 2006, is made and executed between between HOSS PROPERTIES, 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 November 8, 2005 (the "Deed of Trust") which has been recorded in Klamath County, State of Oregon, as follows:

recorded on November 10, 2005 in Volume M05 on page 68860 at the Klamath County Recorder's Office in Klamath Falls, Oregon .

REAL PROPERTY DESCRIPTION. The Deed of Trust covers the following described real property located in Klamath County, State of Oregon:
Lots 1 through 12, inclusive, and Lots 15 through 18, inclusive, Block 16, SECOND RAILROAD ADDITION to the City of Klamath, EXCEPTING THEREFROM, that portion of said Lot 11, Block 16 conveyed to the State of Oregon by Deed recorded in Book 280, page 284, Deed Records of Klamath County, Oregon

The Real Property or its address is commonly known as 1335 South 6th Street, Klamath Falls, OR 97603. The Real Property tax identification number is 3809-033BC-07400-000.

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

Change in the vesting names from William L. Schmeck and Cindy M. Schmeck to HOSS PROPERTIES, LLC. Original Promissory Note #830673960 dated November 8, 2005 and title policy 72475-SH dated November 10, 2005 was in the individual names of William L. Schmeck and Cindy M. Schmeck. Maturity date of November 10, 2010 remains the same on new Promissory Note #830817196 in the name of Hoss Properties, LLC. and endorsement amendment of title policy to Hoss Properties, LLC.

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, including accommodation 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.

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 OCTOBER 16, 2006.

GRANTOR:

HOSS PROPERTIES, LLC

By: [Signature]
William L. Schmeck, Member of Hoss Properties, LLC

By: [Signature]
Cindy M. Schmeck, Member of Hoss Properties, LLC

LENDER:

SOUTH VALLEY BANK & TRUST

x [Signature]
Authorized Officer

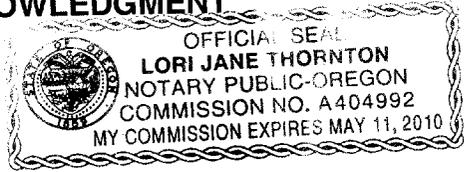
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MODIFICATION OF DEED OF TRUST
(Continued)

LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF Oregon)
) SS
COUNTY OF Klamath)



On this 16th day of October, 20 06, before me, the undersigned Notary Public, personally appeared William L. Schmeck, Member; Cindy M. Schmeck, Member of Hoss Properties, LLC, and known to me to be members or designated agents of the limited liability company that executed the Modification of Deed of Trust and acknowledged the Modification to be the free and voluntary act and deed of the limited liability company, by authority of statute, its articles of organization or its operating agreement, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute this Modification and in fact executed the Modification on behalf of the limited liability company.

By [Signature]
Notary Public in and for the State of Oregon

Residing at Klamath Falls, OR 97601
My commission expires 5/11/2010

LENDER ACKNOWLEDGMENT

STATE OF Oregon)
) SS
COUNTY OF Klamath)



On this 16th day of October, 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]
Notary Public in and for the State of Oregon

Residing at Klamath Falls, OR 97601
My commission expires 5/11/2010