



01/05/2007 03:16:55 PM

Fee: \$46.00

**RECORDING REQUESTED BY
AND WHEN RECORDED, SEND TO:**

FRANDZEL, ROBINS, BLOOM & CSATO, L.C.
6500 Wilshire Boulevard, 17th Floor
Los Angeles, CA 90048
Attention: Brenda Ruttenberg

Assessor's Parcel No.: RS08105

1st-76501

**MEMORANDUM OF
FOURTH MODIFICATION AGREEMENT
[KLAMATH COUNTY]**

This Memorandum of Modification and Extension Agreement ("Memorandum") is made as of the 20th day of October 2006, by and among BANK OF AMERICA, NA, ("Lender"), G&S Co., a California general partnership ("Borrower") and McMahan of San Fernando, a California corporation ("Guarantor"), with reference to the following facts:

RECITALS

A. Lender has extended a revolving line of credit ("Loan") to Borrower in the principal amount of \$25,000,000.00, pursuant to the terms of that certain Business Loan Agreement dated as of October 1, 2003 (as amended and restated pursuant to the Amended and Restated Loan and Security Agreement dated as of October 20, 2006, and together with any modifications or amendments thereto, "Loan Agreement").

B. In connection with the Loan, Borrower executed and delivered to and in favor of Lender a Security Agreement dated October 1, 2003 pursuant to which Borrower pledged certain of its assets as collateral for Borrower's obligations under the Loan Agreement (together with any modifications or amendments thereto, "Borrower Security Agreement").

C. Payment and performance of Borrower's indebtedness and obligations arising under the Loan Agreement are guaranteed by Guarantor and certain other guarantors ("Other Guarantors" and, together with Guarantor, "Guarantors"), each of which executed and delivered to and in favor of Lender a Limited Guaranty dated as of October 1, 2003 (together with any modifications or amendments thereto, "Guaranty").

D. To secure the obligations of Guarantors under the Guaranty, Guarantors granted to Lender a security interest in certain personal property of Guarantors pursuant to that certain Security Agreement dated as of October 1, 2003 (together with any modifications or amendments thereto, "Guarantors' Security Agreement").

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E. Guarantor granted Lender a second priority lien on certain real property pursuant to the terms of the following deed of trust ("Second Deed of Trust") to secure the obligations of Borrower to Lender under the Loan Agreement and Guarantor's obligations under the Guaranty:

A Second Deed of Trust, Assignment of Rents and Fixture Filing/Line of Credit Trust Deed dated as of October 1, 2003 by Guarantor, as trustor, in favor of Lender, as beneficiary, and recorded October 15, 2003 in Vol M03, page 76878 of Official Records of Klamath County, Oregon ("Klamath Deed") and encumbering the real property more particularly described as Exhibit "A" attached hereto and incorporated herein by this reference.

F. On or about March 18, 2005, Lender and Borrower entered into that certain Loan Modification Agreement ("First Modification Agreement") pursuant to which, among other items, Lender agreed to extend the Expiration Date of the Loan, as it is defined in the Loan Agreement, to June 30, 2006.

G. On or about August 23, 2005, Lender and Borrower entered into that certain Second Loan Modification Agreement ("Second Modification Agreement").

H. On or about September 30, 2005, Lender and Borrower entered in that certain Third Loan Modification Agreement ("Third Modification Agreement").

I. The Loan Agreement, Second Deed of Trust, Borrower Security Agreement, Guaranty, Guarantors' Security Agreement, First Modification Agreement, Second Modification Agreement, Third Modification Agreement and the Fourth Modification Agreement (as hereinafter defined) and all other agreements, instruments and other documents executed by Borrower or Guarantors in connection with the Loan shall at times hereinafter be referred to collectively as the "Loan Documents."

J. Borrower and Lender are now entering into a Master Modification Agreement of even date herewith ("Fourth Modification Agreement"), and desire to record this Memorandum in connection therewith and with the other modifications described above.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

AGREEMENT

1. The Loan Agreement and the Fourth Modification Agreement provide for, among other things:

A. Extension of the Revolver Termination Date, as defined in the Loan Agreement, to October 19, 2009.

B. Extension of the Klamath Deed's Maturity Date, as it is defined in the Klamath Deed, to October 19, 2009.

C. Pledge of additional collateral by Borrower as security for the Loan.

2. This Memorandum and the notice herein provided are intended to make a matter of public record the execution of the Fourth Modification Agreement and the modification of the Loan Documents, and are not intended to set forth all the terms and conditions of the Fourth Modification Agreement and modifications of such Loan Documents. Reference is made to the Fourth Modification Agreement for the full particulars of terms and conditions. In the event there is a conflict between the terms and conditions of this Memorandum and the terms and conditions of the Fourth Modification Agreement, the terms and conditions of the Fourth Modification Agreement shall control.

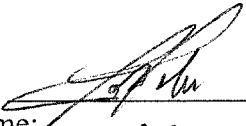
3. This Memorandum may be executed and delivered in two or more counterparts, each of which, when so executed and delivered, shall be an original, and such counterparts together shall constitute but one and the same instrument.

[Signature page to follow.]

IN WITNESS WHEREOF, Borrower and Lender have executed and delivered this Memorandum as of the date set forth above.

LENDER:

Bank of America, N.A.,

By: 
Name: **John Tolle**
Title: **Vice President**

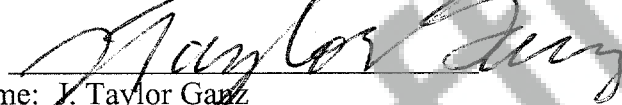
BORROWER:

G & S Co.,
a California general partnership

By: 
Name: J. Taylor Ganz
Title: Authorized Signatory

TRUSTOR:

McMahans of San Fernando
a California corporation

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

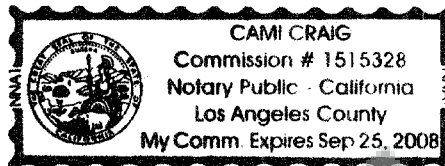
[ALL SIGNATURES MUST BE ACKNOWLEDGED]

STATE OF CALIFORNIA)
) ss
COUNTY OF LOS ANGELES)

On NOVEMBER 13, 2008 before me, CAMI CRAIG, 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.

Cami Craig
Notary Public



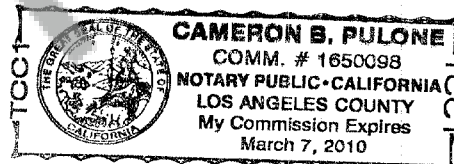
Seal

STATE OF California)
) ss
COUNTY OF Los Angeles)

On November 24, before me, Cameron B. Pulone, a Notary Public in and for said County and State, personally appeared John Tolk, 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.

Cameron B Pulone
Notary Public



Seal

EXHIBIT "A"

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

PARCEL I:

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.9E. 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 II:

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 North 00°51' West 462.3 feet, North 89°06' East 262.2 feet, and South 46°09' East 198.4 feet from the Southwest corner of the said NE 1/4 SW 1/4 of Section 1; thence continuing South 46°09' East 106.00 feet; thence North 43°51' East 150.00 feet; thence North 46°09' West 106.00 feet; thence South 43°51' West 150.00 feet to the point of beignning.