

2008-015435

Klamath County, Oregon



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Fee: \$36.00

MTL 2205-KR

RECORDING COVER SHEET

THIS COVER SHEET HAS BEEN PREPARED
BY THE PERSON REPRESENTING THE
ATTACHED INSTRUMENT FOR RECORDING.
ANY ERRORS IN THIS COVER SHEET DO NOT
AFFECT THE TRANSACTION(S) CONTAINED
IN THE INSTRUMENT ITSELF.

After Recording, Return To:

**Mark A. Norby
Stoel Rives LLP
900 SW Fifth Avenue, Suite 2600
Portland, OR 97204**

- 1. Name(s) of the Transaction(s): Modification of Trust Deed**
- 2. Direct Party (Grantor): David B. Oxley and Marganne W. Oxley,
husband and wife (also doing business as Quarter Circle X Ranch)**
- 3. Indirect Party (Grantee): Harvest Capital Company**
- 4. True and Actual Consideration Paid: n/a**
- 5. Legal Description: See attached Exhibit "A"**

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MTIC 82805-KR

WHEN RECORDED RETURN TO:

Mark A. Norby
Stoel Rives LLP
900 SW Fifth Avenue, Suite 2600
Portland, OR 97204

(space above reserved for recorder's use)

CROSS DEFAULT AGREEMENT

This Cross Default Agreement is made this 4th day of November, 2008, by DAVID B. OXLEY and MARGANNE W. OXLEY, husband and wife (also doing business as Quarter Circle X Ranch), herein referred to as "Mortgagor," to the benefit of HARVEST CAPITAL COMPANY, with its principal office at 690 NW First Avenue, Suite 101, Canby, OR 97013, herein referred to as "Mortgagee."

WHEREAS, Mortgagor executed a Promissory Note in the principal amount of SEVEN HUNDRED THOUSAND AND NO/100 DOLLARS (\$700,000.00) dated September 10, 2003, to the order of Mortgagee, and Mortgagor executed a Mortgage, Assignment of Rents, and Security Agreement and Fixture Filing on the same day to secure the payment of said Note, which Mortgage, Assignment of Rents, and Security Agreement and Fixture Filing was recorded on September 19, 2003 at Volume M03, page 70292, records of Klamath County, Oregon (the "2003 Mortgage"). The 2003 Mortgage encumbers the real property in Klamath, Oregon described on attached Exhibit A (the "Property").

WHEREAS, Mortgagor executed a Promissory Note in the principal amount of FOUR HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$450,000.00) of even date herewith to the order of Mortgagee, and executed a Mortgage, Assignment of Rents and Security Agreement, and Fixture Filing of even date hereof also encumbering the Property to secure payment of said Note, which Mortgage, Assignment of Rents and Security Agreement, and Fixture Filing will be recorded in the office of the County Recorder of Klamath County, Oregon, (the "New Mortgage").

WHEREAS, as part of the consideration for the loan for FOUR HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$450,000.00) referred to above, Mortgagee requires the execution of this Agreement.

NOW, THEREFORE, in consideration of the premises, the 2003 Mortgage is hereby amended as follows:

1. In the event of a default under the terms and provisions of either the 2003 Mortgage or the New Mortgage (the "Mortgages") or of any of the Notes secured thereby, by reason of which the right of acceleration granted thereunder is exercised, such default shall be deemed a default under all of said Mortgages and the Notes secured thereby, and such acceleration shall operate as an acceleration of all Mortgages and all secured Notes. No consents, waivers, extensions, renewals, or other indulgences at any time granted with respect to any of the Mortgages or the Notes secured respectively thereby by the holder from time to time thereof shall operate in any way to diminish any security or other rights to which the holder of the other Mortgage may be entitled thereunder.

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2. The 2003 Mortgage shall remain in full force and effect. Mortgagor hereby ratifies, confirms and approves the 2003 Mortgage, and agrees that it constitutes a valid and binding agreement of Mortgagor, enforceable against Mortgagor in accordance with its terms.

3. Nothing herein subordinates the lien of the 2003 Mortgage to any lien or claim of any third party.

IN WITNESS WHEREOF, Mortgagor has executed and delivered this Agreement to Mortgagee as the day and year first above written.

David B. Oxley
David B. Oxley
Marganne W. Oxley
Marganne W. Oxley

STATE OF OREGON)
COUNTY OF Klamath) ss.

This instrument was acknowledged before me November 13, 2008, by David B. Oxley.



Kristi L. Redd
Notary Public
My commission expires: 11/16/2011
Commission No.: 421742

STATE OF OREGON)
COUNTY OF Klamath) ss.

This instrument was acknowledged before me November 13, 2008, by Marganne W. Oxley.



Kristi L. Redd
Notary Public
My commission expires: 11/16/2011
Commission No.: 421742

**EXHIBIT A
TO
CROSS DEFAULT AGREEMENT**

Legal Description

PARCEL 1

The following property situate in Section 2, Township 40 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon, being more particularly described as follows:

Government Lots 1, 2, 3, 6, 7 and 10; N1/2 of Government Lot 11; those portions of Government Lots 4, 5 and 12 described as follows: Beginning at a point on the North line of Government Lot 4, said Section 2, Township 40 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon, which bears West along the North line of said Section 2 a distance of 2356.4 feet from the Northeast corner of Government Lot 3 in said Section 2, said point being the Northwest corner of tract described in Deed from Melvin D. Fiegi, et ux, to Ben F. Smith, Inc., dated March 29, 1973, recorded March 30, 1973 in Volume M73, page 3700, Microfilm Records of Klamath County, Oregon; thence South 407 feet; thence West 50.0 feet; thence South 618.0 feet; thence East 537.0 feet; thence Southeasterly in a straight line 1008.0 feet, more or less, to the most Westerly point of tract described as Parcel 3 in Deed from Millet Ranch to Ben F. Smith, Inc., dated June 27, 1972, recorded July 7, 1972 in Volume M72, page 7365, Microfilm Records of Klamath County, Oregon; thence South 01 degree 40' East a distance of 824.2 feet to a point; thence North 88 degrees 45' East to the West line of Government Lot 11, said Section 2; thence North along the West lines of Government Lots 11, 6 and 3 to the North line of Section 2 and the Northeast corner of Government Lot 4; thence West along the North line of said Government Lot 4 to the point of beginning.

SAVING AND EXCEPTING that portion contained in the right of way of South Poe Valley Road.

PARCEL 2

Parcels 1, 2 and 3 of Land Partition 75-06 being situated in the N1/2 of Section 3, Township 40 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon.