

04:00 0 AM 9:23

After recording, return to:  
Pac Equities, Inc.  
250 NW Franklin Avenue  
Suite 302  
Bend, Oregon 97701

Vol M04 Page 57205

State of Oregon, County of Klamath  
Recorded 08/30/04 9:23 a m  
Vol M04 Pg 57205-08  
Linda Smith, County Clerk  
Fee \$ 36<sup>00</sup> # of Pgs 4

**AMENDMENT  
TO  
DEED OF TRUST  
AND  
ASSIGNMENT OF RENTS**

**Recitals:**

1. Southview Properties, LLC, ("Trustor") has borrowed certain funds from Pac Equities, Inc. ("Beneficiary") as referenced in that certain Deed of Trust and Assignment of Rents dated the 6<sup>th</sup> day of October, 2003 and recorded in the Records of Klamath County, Oregon on the 29<sup>th</sup> day of October, 2003 as Vol. M03, Pg. 80323-26 ("Trust Deed"). The Trust Deed attaches to the property described on Exhibit A, hereto ("Property").
2. The Trust Deed secures a certain indebtedness evidenced by a note of even date with the Trust Deed. (the "Bridge Loan Note").
3. Beneficiary is the lender under the Bridge Loan Note and Beneficiary under the Trust Deed. Trustor is developing a planned unit development that includes, but is not limited to residential subdivisions on the Property secured by the Trust Deed.
4. On or about 16<sup>th</sup> day of July, 2004 Trustor and Beneficiary entered into a second loan agreement that provides for the funding by Beneficiary for the benefit of Trustor of certain improvements to the Property (the "Project Infrastructure Note").
5. On or about the 12<sup>th</sup> day of August, 2004 and recorded in the Records of Klamath County, Oregon on the 13<sup>th</sup> day of August, 2004 as Vol. M04, Pg. 53313, Beneficiary and Trustor entered into an agreement to amend the Trust Deed to provide for certain lot release payments.
6. Trustor and Beneficiary desire to include the Project Infrastructure Note as indebtedness secured by the Trust Deed.

**NOW THEREFORE**, the parties agree that the Trust Deed is and shall be amended beginning on page 1 line 23 and ending on page 1 line 30 of the Trust Deed as follows:

36✓

**FOR THE PURPOSE OF SECURING:**

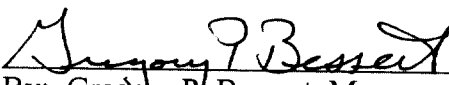
A.) Performance of each agreement of Trustor herein contained. B.) Payment of the indebtedness evidenced by promissory note or notes of even date herewith, and any extension or renewal thereof, in the principal sum of **ONE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$1,500,000.00)** AND payment of the indebtedness pursuant to and evidenced by promissory note or notes dated 16<sup>th</sup> day of July, 2004, and any extension or renewal thereof, in the principal sum of **ONE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$1,500,000.00)** executed by Trustor in favor of Beneficiary or order. C.) Payment of additional sums and interest thereon which may hereafter be loaned to Trustor, or his successors or assigns, when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust.

Other than as expressly modified herein, all other terms of the Trust Deed, as amended, remain in full force and effect.

Pac Equities, Inc

Southview Properties, LLC

  
By: Michael Rich, President


  
By: Gregory P. Bessert, Manager

Date: 8/24/04

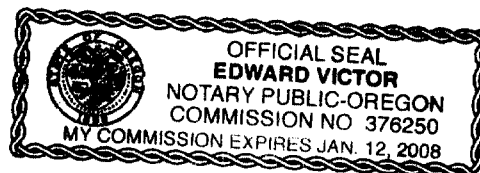
Date: 8/24/04

STATE OF OREGON           )  
  )ss:  
COUNTY OF DESCHUTES )

The foregoing instrument was acknowledged before me this 29<sup>th</sup> day of August, 2004, by Michael Rich, President of Pac Equities, Inc., on its behalf.

  
Notary Public for Oregon

My Commission Expires: 1/12/08



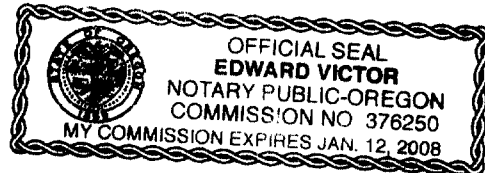
57207

STATE OF OREGON                    )  
  )*ss:*  
COUNTY OF ~~KLAMATH~~ )

The foregoing instrument was acknowledged before me this 24<sup>th</sup> day of August, 2004, by Gregory P. Bessert, Manager of Southview Properties, LLC, on its behalf.

*[Signature]*  
Notary Public for Oregon

My Commission Expires: 1/12/08



## EXHIBIT A

## LEGAL DESCRIPTION:

A parcel of land situated in the NE 1/4 and SE 1/4 of Section 36, Township 38 South, Range 8 East of the Willamette Meridian, the NE 1/4 of Section 1, Township 39 South, Range 8 East of the Willamette Meridian, and the NE 1/4 NE 1/4 of Section 6, Township 39 South, Range 9 East of the Willamette Meridian, all in Klamath County, Oregon and being more particularly described as follows:

Beginning at a point on the north-south centerline of Section 36 from which the NW corner of the SW 1/4 NE 1/4 of said section bears North 00°11'27" East 427.59 feet; thence South 89°58'12" East 619.61 feet; thence South 27°18'39" East 3530.91 feet; thence South 62°41'21" West 250.36 feet; thence South 27°18'39" East 1811.20 feet to a point on the South line of the NW 1/4 NW 1/4 of Section 6; thence along said South line South 89°28'21" West 199.91 feet to the SW corner thereof; thence along the South line of the NE 1/4 NE 1/4 of Section 1 North 89°29'44" West 1330.62 feet to the SW corner of said NE 1/4 NE 1/4; thence along the West line of the SE 1/4 NE 1/4 of Section 1 South 00°06'44" East 458.90 feet to the Northerly right of way line of State Highway 140; thence along said Northerly right of way line North 56°12'28" West 194.88 feet; thence leaving said right of way line North 11°59'09" East 364.18 feet to the South line of the NW 1/4 NE 1/4 of Section 1; thence along said South line South 89°56'08" West 516.20 feet to the said Northerly right of way line of State Highway 140; thence along said Northerly right of way line North 50°28'23" West 199.25 feet; thence North 59°17'52" West 439.78 feet; thence leaving said Northerly right of way line North 36°42'45" West 329.35 feet to the North-South center section line of Section 1; thence along said center section line North 00°04'15" East 722.87 feet to the 1/4 corner common to Section 1 and Section 36; thence along the center section line of Section 36 North 00°11'27" East 35089.58 feet to the point of beginning.

SAVING AND EXCEPTING, Beginning at the Southeast corner of the NE 1/4 NE 1/4 of said Section 1; thence on the South line of said NE 1/4 NE 1/4 North 89°17'37" West 617.88 feet; thence leaving said South line North 27°18'39" West 235.77 feet; thence North 62°41'21" East 1183.54 feet; thence North 27°18'39" West 1195.51 feet; thence North 62°41'21" East 605.39 feet; thence South 27°18'39" East 1811.20 feet to the South line of the NW 1/4 NW 1/4 of said Section 6; thence South 89°28'21" West 199.91 feet on said South line, to the point of beginning.

Assessors Tax ID/Account No.: 420299,420315,492292