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

		OR/G/NA/ Page 76011
/ol_	M04	_Page_76011 ***/

AMENDMENT
TO
DEED OF TRUST
AND
ASSIGNMENT OF RENTS

State of Oregon, County of Klama	ath				
Recorded 11/04/04 3:27 p n	n				
VOI MU4 Pg /60//-/5 '					
inda Smith, County Clerk					
Linda Smith, County Clerk Fee \$ _4//00# of Pgs _5					

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 6th day of October, 2003 and recorded in the Records of Klamath County, Oregon on the 29th day of October, 2003 as Vol. M03, Pg. 80323-26 ("Trust Deed"). The Trust Deed encumbers certain property described in Exhibit "A" thereto attached ("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 16th 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 12th day of August, 2004 and recorded in the Records of Klamath County, Oregon on the 13th 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. On or about the 24th day of August, 2004 and recorded in the records of Klamath County, Oregon on the 30th day of August, 2004 in Vol M04 Pg 57205-08 an Amendment to the Deed of Trust and Assignments of Rents amended the terms of the Trust Deed as herein referenced and increased the Trust Deed's promissory note's principal sum of \$1,100,000.00 by an additional \$1,500,000.00 for a total indebtedness of \$2,600,000.00.

76012

ORIGINAL

NOW THEREFORE, the parties agree that for additional security for the benefit of Beneficiary, the Trust Deed shall be amended by substituting the reference to the legal description on lines 8 & 9 of the Deed of Trust and Assignments of Rents ("Property in KLAMATH County, State of OREGON, described as: Legal description, see exhibit "A" attached, together with all buildings, improvements, and fixtures thereon.") with the legal description attached hereto as Exhibit "Z".

Upon execution and recordation hereof, Property as herein referred to shall be the property as described in Exhibit "Z" hereto attached.

By virtue of this Amendment all instruments recorded between the parties subsequent to the Trust Deed and having the effect of granting collateral to Beneficiary from Trustor shall have been amended with the same legal effect as herein intended by the parties.

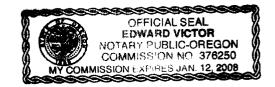
Other than as expressly modified herein, all other terms of the Trust Deed, as amended, remain in full force and effect.

Pac Equities, Inc	Southview Properties, LLC
By: Michael Rich, President	By: Gregory P. Bessert, Manager
Date: Of 21, 2004	Date: Oct 21, 2004
	Suite SET CLASSE
STATE OF OREGON))ss: COUNTY OF DESCHUTES)	

The foregoing instrument was acknowledged before me this 2/5 day of October, 2004, by Michael Rich, President of Pac Equities, Inc., on its behalf.

Notary Public for Oregon

My Commission Expires: 1/12/



76013 OP/G/NAL

STATE OF OREGON)
)ss:
COUNTY OF DESCHUTES)

The foregoing instrument was acknowledged before me this 2/5 the day of October, 2004, by Gregory P. Bessert, Manager of Southview Properties, LLC, on

its behalf.

Notary Public for Oregon

My Commission Expires: 1/12/2008



THAT PORTION WITHIN THE CITY LIMITS

ALL OF THE FOLLOWING DESCRIBED PROPERTY SITUATED IN KLAMATH COUNTY, OREGON:

TOWNSHIP 38 SOUTH, RANGE 8 EAST OF THE WILLAMETTE MERIDIAN, SECTION 36: THE SE ¼ NE ¼ AND ALL OF THE SE ¼, ALSO THE SW ¼ NE ¼

TOWNSHIP 38 SOUTH, RANGE 9 EAST OF THE WILLAMETTE MERIDIAN, SECTION 31: THE SW ¼ NW ¼ AND THE W ½ SW ¼

TOWNSHIP 39 SOUTH, RANGE 9 EAST OF THE WILLAMETTE MERIDIAN, SECTION 6: THE N ½ N ½

TOWNSHIP 39 SOUTH, RANGE 8 EAST OF THE WILLAMETTE MERIDIAN, SECTION 1: A PORTION OF THE N ½ NE ¼ OF THE SECTION DESCRIBED AS FOLLOWS:

BEGINNING AT THE NE CORNER OF SAID SECTION 1; THENCE WEST ALONG THE NORTH BOUNDARY OF THE SECTION TO THE NORTH-SOUTH CENTER LINE OF SAID SECTION; THENCE SOUTH TO THE INTERSECTION OF THE NORTH-SOUTH CENTER LINE OF THE SECTION WITH THE NORTHERLY BOUNDARY OF STATE HIGHWAY 140; THENCE FOLLOWING THE NORTHERLY BOUNDARY OF HIGHWAY 140 SOUTHEASTERLY TO ITS INTERSECTION WITH THE SOUTHERLY BOUNDARY OF THE N ½ NE ¼ OF SAID SECTION 1; THENCE EAST ON THE SOUTH BOUNDARY OF THE N ½ NE ¼ TO ITS INTERSECTION WITH EAST BOUNDARY OF SECTIUON 1; THENCE NORTH TO THE POINT OF BEGINNING.

SECTION 1: ALSO THE EASTERLY 40 FEET OF THE SW ¼ NE ¼ THAT LIES NORTHERLY OF HIGHWAY 140

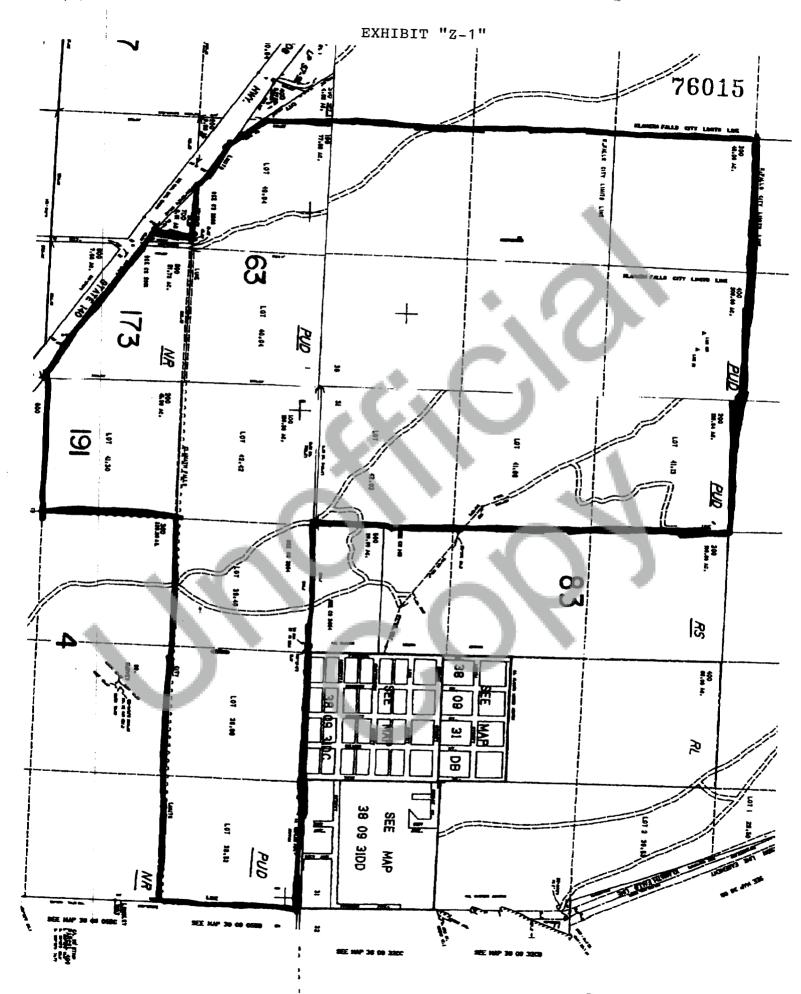
SECTION 1: ALSO A PORTION OF THE SW 1/4 NE 1/4, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A 5/8 INCH IRON PIN ON THE NORTH LINE OF SAID SW ¼ NE ¼ FROM WHICH THE NORTHEAST 1/16 CORNER OF SAID SECTION 1 BEARS S. 89° 31' 34" E 40.00 FEET; THENCE S. 00° 08' 01" E. PARALLEL TO THE EAST LINE OF SAID SW ¼ NE ¼, 432.41 FEET TO A 5/8 INCH IRON PIN ON THE NORTHEASTERLY RIGHT OF WAY LINE OF SAID STATE HIGHWAY 140; THENCE N. 56° 11' 22" W. ALONG SAID RIGHT OF WAY LINE, 146.70 FEET TO A 5/8 INCH IRON PIN IN AN EXISTING FENCE; THENCE N. 11° 57' 35" E., GENERALLY ALONG SAID EXISTING FENCE, 358.95 FEET TO A 5/8 INCH IRON PIN ON THE NORTH LINE OF SA!D SW ¼ NE ¼; THENCE S. 89° 31' 34" E. 46.50 FEET TO THE POINT OF BEGINNING

THAT PORTION WITHIN THE COUNTY

SECTION 1: THAT PORTION OF THE SE ¼ NE ¼ LYING NORTHEASTERLY OF HIGHWAY 140 OF SECTION 1, TOWNSHIP 39 SOUTH, RANGE 8 EAST OF THE WILLAMETTE MERIDIAN, KLAMATH COUNTY, OREGON.

SECTION 6: THE SW ¼ NW ¼ OF SECTION 6, TOWNSHIP 39 SOUTH, RANGE 9 EAST OF THE WILLAMETTE MERIDIAN, KLAMATH COUNTY, OREGON



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