

'05 FEB 16 AM 8:27

Vol M05 Page 10565

State of Oregon, County of Klamath
Recorded 02/16/2005 8:27 a m
Vol M05 Pg 10565-68
Linda Smith, County Clerk
Fee \$ 51.00 # of Pgs 4

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

**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 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.

7. On or about the 21st day of October, 2004 and recorded in the record of Klamath County, Oregon on the 4th day of November, 2004 in Vol M04 Pg 76011-15 an Amendment to the Deed of Trust and Assignment of Rents amended the security for the benefit of the Beneficiary. The Trust Deed was amended by substituting the reference to the legal description on lines 8 and 9 of the Deed of Trust and Assignments of Rents.


NOW THEREFORE, the parties agree that the Deed of Trust and Assignments of Rents herein referenced will increase the Trust Deed's promissory note's principal sum by \$1,000,000.00 for a total indebtedness of \$3,600,000.00.

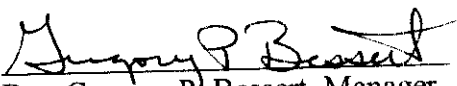
By virtue of this Amendment all instruments recorded between the parties subsequent to the Trust Deed and having the effect of granting collateral to Beneficiary from Trustor shall have been amended with the same legal effect as herein intended by the parties.

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

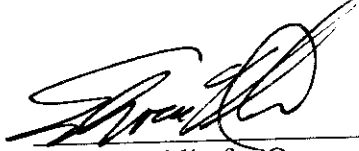

By: Gregory P. Bessert, Manager

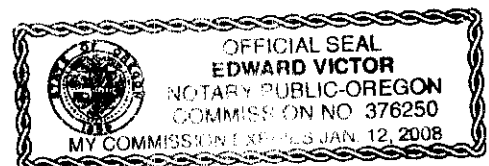
Date: 2/1/05

Date: February 1, 2005

STATE OF OREGON)
)ss:
COUNTY OF DESCHUTES)

The foregoing instrument was acknowledged before me this 1st day of February, 2005, by Michael Rich, President of Pac Equities, Inc., on its behalf.

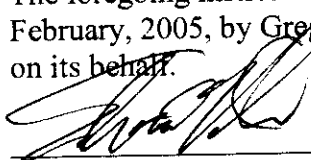

Notary Public for Oregon



My Commission Expires: 1/12/08

STATE OF OREGON)
)ss:
COUNTY OF DESCHUTES)

The foregoing instrument was acknowledged before me this 1st day of February, 2005, by Gregory P. Bessert, Manager of Southview Properties, LLC, on its behalf.



Notary Public for Oregon

My Commission Expires: 1/12/08

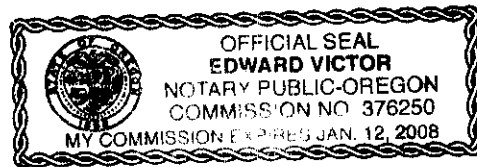


Exhibit A

**LEGAL DESCRIPTION OF: SOUTHVUE PLANNED UNIT
DEVELOPMENT: ORINDALE RESIDENTIAL DISTRICT**

A parcel of land situated in the E½ of Section 36, Township 38 South, Range 8 East of the Willamette Meridian, the NE¼ of Section 1 Township 39 South, Range 8 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 SW¼ NE¼ 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, 855.75 feet; thence North 27° 18' 39" West, 141.26 feet; thence South 62° 46' 00" West, 201.09 feet; thence North 27° 15' 14" West, 4.93 feet; thence South 62° 44' 46" West, 70.01 feet; thence North 27° 15' 14" West, 5.00 feet; thence South 62° 44' 46" West, 65.01 feet; thence South 27° 15' 14" East, 10.00 feet; thence South 62° 44' 46" West, 65.01 feet; thence North 27° 15' 14" West, 5.00 feet; thence South 62° 44' 46" West, 70.01 feet; thence North 27° 15' 14" West, 5.00 feet; thence South 62° 44' 46" West, 65.01 feet; thence South 27° 15' 14" East, 10.00 feet; thence South 62° 44' 46" West, 65.00 feet; thence North 27° 15' 14" West, 5.00 feet; thence South 62° 44' 46" West, 68.29 feet; thence South 56° 49' 49" West, 50.00 feet; thence South 34° 19' 57" West, 958.15 feet to the northerly right of way line of State Highway 140; thence, thence along said northerly right of way line, North 59° 17' 52" West, 58.76 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 ¼ corner common to Section 1 and Section 36; thence along the center section line of Section 36 North 00°11'27" East, 3508.58 feet to the point of beginning. Basis of bearings per CS #6513. containing 132.96 acres, more or less.