

05 MAY 5 PM 0:22

When Recorded Return to:
Pac Equities, Inc.
250 NW Franklin Avenue, #302
Bend, OR 97701

Vol M05 Page 32678

Place recording stamp here

State of Oregon, County of Klamath
Recorded 05/05/2005 3:22 p.m.
Vol M05 Pg 32678-79
Linda Smith, County Clerk
Fee \$ 26.00 # of Pgs 2

ASSIGNMENT OF BENEFICIAL INTEREST IN A DEED OF TRUST

Date: 4/14/2005

PARTIES: Pac Equities Fund 1, Limited Partnership ("Assignor")

William & Kendall Welch ("Assignee")
1210 Blue Sky Drive
Cardiff, CA 92007

RECITALS:

Whereas Assignor is the Beneficiary under a First Deed of Trust ("Trust Deed") in the property described in "Exhibit A"; and was recorded on 9/20/04, Instrument M04 Page 62879, Klamath County, Oregon. Whereas this recited Assignment is secured with the property described in Exhibit A commonly referred to as **Southview Properties, LLC**.

NOW THEREFORE, AGREEMENT:

For valuable consideration, receipt and sufficiency being hereby acknowledged in the sum of **TWENTY THOUSAND AND NO/100 DOLLARS (\$20,000.00)** Assignor grants, assigns, transfers and sets over to Assignee a **Three and 219/1000 percent (3.219%)** of Assignor's beneficial interest in the Trust Deed(s) and Promissory Note(s) secured by the Trust Deeds.

Assignor warrants that: 1) Assignor is the lawful holder of the Promissory Note and Beneficiary of the Trust Deed and has the right to sell and assign all or a portion of its interest therein; 2) At the date of this Assignment, the Promissory Note and Trust Deed are not in default; 3) Assignor is the beneficiary of a title insurance policy insuring the Assignor's Trust Deed. 4) Assignor has and will maintain possession of the original Promissory Note, Trust Deed and title insurance policies; 5) Assignor will take all steps reasonably necessary to maintain hazard insurance as required under the terms of the Trust Deed with loss payable to Assignor and its successors and assigns. 6) Assignor shall collect all payments due under the Promissory Note and Trust Deed and will pay Assignee on the twentieth (20th) of each month as shall be set forth in that certain Secured Note dated April 14, 2005 by Assignor to Assignee. Assignor agrees it will maintain records of all transactions relating to the Promissory Note and Trust Deed and shall make those records available to Assignee upon Assignee's reasonable request. 7) Assignee agrees that as Assignor shall have the right in its sole discretion, to subordinate the Trust Deed lien and to reconvey all or a portion of the subject property as Assignor determines reasonably prudent.

Assignor retains the right to make all demands and exercise all rights of the holder and Beneficiary under the terms of the Promissory Note and Trust Deed. In the event of a default under the Promissory Note and Trust Deed, Assignor has the right to exercise all of the holder and Beneficiary's rights as set forth in the Promissory Note and Trust Deed and as allowed by law including foreclosure through judicial or non-judicial means, acquiring title by deed in lieu of foreclosure, re-entry eviction and any other steps reasonably necessary to protect the beneficial interest under the Promissory Note and Trust Deed. In the event of a default, Assignor shall be entitled to repayment of all its costs and fees incurred including attorney fees, recording costs, filing fees and title insurance charges prior to any payment to Assignee under this Agreement. In the event the parties acquire fee title to the property through foreclosure and sale or by deed in lieu of foreclosure, the parties shall hold the property as tenants in common according to the above referenced percentage interest and shall be entitled to and responsible for their pro rata share of all income received and expenses incurred in connection with owning, holding, maintaining and selling the property. Assignee agrees and grants to Assignor the right to mortgage or lien the property as security for loan(s) which Assignor reasonably and prudently believes are necessary to maintain or improve the property. This Assignment is not intended to create a partnership or joint venture. The relationship of the parties shall be governed solely by the terms of this Assignment and neither party has the authority to bind the other except as provided under the terms of this Assignment. In the event of a dispute arising out of or relating to this Assignment, the prevailing party shall be entitled to recover its reasonable attorney fees, costs and disbursements including all deposition and expert witness costs whether incurred in relation to trial, arbitration or on appeal. All recitals to this Assignment are part of this Assignment as if fully set forth in the body of this Assignment.

This Assignment is made for security purposes only. This Assignment is made to secure that certain Secured Note, dated April 14, 2005 by Assignor to Assignee, in the principal amount of **TWENTY THOUSAND AND NO/100 DOLLARS (\$20,000.00)** and remedies under this Assignment are conditioned upon default upon that certain Secured Note.

IN WITNESS WHEREOF, the Assignor has caused its name to be signed to this Assignment by a person duly authorized to so act.

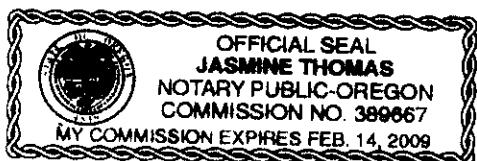
PAC EQUITIES FUND 1, LIMITED PARTNERSHIP

By: David Maltz
Authorized Signature

STATE OF: Oregon)

COUNTY OF: Deschutes) ss.

On this 14 day of April, 2005 before me, a Notary Public for Oregon, personally appeared the above named David Maltz, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument and acknowledged to me that the person executed the same as an authorized signer of Assignor and that the signature is the act and deed of the Assignor.



Jasmine Thomas
Notary Public for Oregon

My commission expires: 2-14-09

20F

"EXHIBIT A"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 $\frac{1}{4}$ NE $\frac{1}{4}$ AND ALL OF THE SE $\frac{1}{4}$, ALSO THE SW $\frac{1}{4}$ NE $\frac{1}{4}$

TOWNSHIP 38 SOUTH, RANGE 9 EAST OF THE WILLAMETTE MERIDIAN,
SECTION 31: THE SW $\frac{1}{4}$ NW $\frac{1}{4}$ AND THE W $\frac{1}{2}$ SW $\frac{1}{4}$

TOWNSHIP 39 SOUTH, RANGE 9 EAST OF THE WILLAMETTE MERIDIAN,
SECTION 6: THE N $\frac{1}{2}$ N $\frac{1}{2}$

TOWNSHIP 39 SOUTH, RANGE 8 EAST OF THE WILLAMETTE MERIDIAN,
SECTION 1: A PORTION OF THE N $\frac{1}{2}$ NE $\frac{1}{4}$ 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 $\frac{1}{2}$ NE $\frac{1}{4}$ OF
SAID SECTION 1; THENCE EAST ON THE SOUTH BOUNDARY OF THE N $\frac{1}{2}$
NE $\frac{1}{4}$ TO ITS INTERSECTION WITH EAST BOUNDARY OF SECTION 1;
THENCE NORTH TO THE POINT OF BEGINNING.

SECTION 1: ALSO THE EASTERLY 40 FEET OF THE SW $\frac{1}{4}$ NE $\frac{1}{4}$ THAT LIES
NORTHERLY OF HIGHWAY 140

SECTION 1: ALSO A PORTION OF THE SW $\frac{1}{4}$ NE $\frac{1}{4}$, MORE PARTICULARLY
DESCRIBED AS FOLLOWS:

BEGINNING AT A 5/8 INCH IRON PIN ON THE NORTH LINE OF SAID SW $\frac{1}{4}$ NE $\frac{1}{4}$
 $\frac{1}{4}$ 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 $\frac{1}{4}$ NE $\frac{1}{4}$, 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 SAID SW $\frac{1}{4}$ NE $\frac{1}{4}$; 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 $\frac{1}{4}$ NE $\frac{1}{4}$ 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 $\frac{1}{4}$ NW $\frac{1}{4}$ OF SECTION 6, TOWNSHIP 39 SOUTH, RANGE
9 EAST OF THE WILLAMETTE MERIDIAN, KLAMATH COUNTY, OREGON