

RECORDATION REQUESTED BY:

PremierWest Bank
Klamath Falls Branch
421 South 7th Street
P. O. Box 5016
Klamath Falls, OR 97601

2006-024357

Klamath County, Oregon



12/08/2006 11:10:42 AM

Fee: \$31.00

WHEN RECORDED MAIL TO:

PremierWest Bank
Klamath Falls Branch
421 South 7th Street
Klamath Falls, OR 97601

SEND TAX NOTICES TO:

Southview Properties, L.L.C.
22101 N.E. 150th Avenue
Battleground, WA 98604

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

1st-946763

MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST dated December 5, 2006, is made and executed between between Southview Properties LLC ("Grantor") and PremierWest Bank, whose address is Klamath Falls Branch, 421 South 7th Street, P. O. Box 5016, Klamath Falls, OR 97601 ("Lender").

DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated December 5, 2006 (the "Deed of Trust") which has been recorded in Klamath County, State of Oregon, as follows:

Deed of Trust recorded on September 6, 2005 in the official records of the Klamath County Recorder as document number M05 63594 in the amount of \$1,000,000.00; followed by a Modification of Deed of Trust dated August 29, 2006 in the amount of \$1,000,000.00.

REAL PROPERTY DESCRIPTION. The Deed of Trust covers the following described real property located in Klamath County, State of Oregon:

See Exhibit "A", which is attached to this Modification and made a part of this Modification as if fully set forth herein.

The Real Property or its address is commonly known as 36 Lots Within the Southview PUD, The Woodlands PHASE II, Klamath Falls, OR 97601.

MODIFICATION. Lender and Grantor hereby modify the Deed of Trust as follows:

It is hereby agreed to extend the maturity date from November 1, 2006 to December 1, 2007. Lender shall execute partial releases of the lien of the Deed of Trust upon the following conditions: Lots will be released for \$35,000.00 each, increased from the previous provision of \$26,500.00. As of the date of this Modification, thirteen lots have been released from the original Deed of Trust by partial reconveyances.

CONTINUING VALIDITY. Except as expressly modified above, the terms of the original Deed of Trust shall remain unchanged and in full force and effect. Consent by Lender to this Modification does not waive Lender's right to require strict performance of the Deed of Trust as changed above nor obligate Lender to make any future modifications. Nothing in this Modification shall constitute a satisfaction of the promissory note or other credit agreement secured by the Deed of Trust (the "Note"). It is the intention of Lender to retain as liable all parties to the Deed of Trust and all parties, makers and endorsers to the Note, including accommodation parties, unless a party is expressly released by Lender in writing. Any maker or endorser, including accommodation makers, shall not be released by virtue of this Modification. If any person who signed the original Deed of Trust does not sign this Modification, then all persons signing below acknowledge that this Modification is given conditionally, based on the representation to Lender that the non-signing person consents to the changes and provisions of this Modification or otherwise will not be released by it. This waiver applies not only to any initial extension or modification, but also to all such subsequent actions.

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MODIFICATION OF DEED OF TRUST AND GRANTOR AGREES TO ITS TERMS. THIS MODIFICATION OF DEED OF TRUST IS DATED DECEMBER 5, 2006.

GRANTOR:

SOUTHVIEW PROPERTIES, L.L.C.

By: Gregory P. Bessert
Gregory P. Bessert, Manager of Southview
Properties, L.L.C.

LENDER:

PREMIERWEST BANK

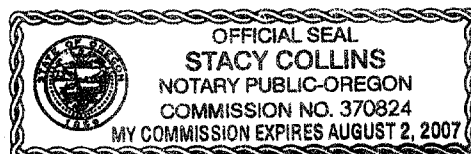
x J. Mieloyyk
Authorized Officer

31-F

LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF OregonCOUNTY OF Klamath

) SS



On this 5 day of December, 2006, before me, the undersigned Notary Public, personally appeared Gregory P. Bessert, Manager of Southview Properties, L.L.C., and known to me to be a member or designated agent of the limited liability company that executed the Modification of Deed of Trust and acknowledged the Modification to be the free and voluntary act and deed of the limited liability company, by authority of statute, its articles of organization or its operating agreement, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this Modification and in fact executed the Modification on behalf of the limited liability company.

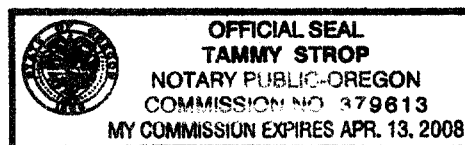
By [Signature]
Notary Public in and for the State of Oregon

Residing at Klamath
My commission expires 8-2-07

LENDER ACKNOWLEDGMENT

STATE OF OregonCOUNTY OF Klamath

) SS



On this 8 day of December, 2006, before me, the undersigned Notary Public, personally appeared Jim Melosky and known to me to be the Lending Office, authorized agent for the Lender that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of the said Lender, duly authorized by the Lender through its board of directors or otherwise, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this said instrument and that the seal affixed is the corporate seal of said Lender.

By Tammy Strop
Notary Public in and for the State of Oregon

Residing at 421 S. 7th Klamath Falls
My commission expires April 13, 2008

Exhibit "A"

Real property in the County of , State of , described as follows:

Beginning at the initial point, said point being the Northeasterly corner of Lot 59 of Tract 1416- The Woodlands-Phase 1" a duly recorded subdivision at the Klamath County Clerks Office, said point being a 5/8" rebar with a yellow plastic cap marked "LS 58985"; thence along the Northwesterly boundary of said subdivision the following twenty courses, South 63°38'02" West, 100.00 feet; thence South 63°32'43" West, 52.00 feet; thence South 26°21'58" East, 3.22 feet; thence South 63°38'02" West, 70.01 feet; thence South 26°21'58" East, 5.00 feet; thence South 63°38'02" West, 65.01 feet; thence North 26°21'58" West 10.00 feet; thence South 63°38'02" West, 65.01 feet; thence South 26°21'58" East, 5.00 feet; thence South 63°38'02" West, 70.01 feet; thence South 26°21'58" East, 5.00 feet; thence South 63°35'10" West, 65.01 feet; thence North 26°21'58" West, 10.05 feet; thence South 63°38'02" West, 65.00 feet; thence South 26°21'58" East, 5.00 feet; thence South 63°38'02" West, 70.01 feet; thence South 63°36'54" West, 52.00 feet; thence South 26°21'58" East, 16.34 feet; thence South 63°38'02" West, 100.00 feet; thence South 26°21'58" East, 65.00 feet to the Southwesterly corner of Lot 7 of said subdivision; thence leaving said Northwesterly boundary of the "The Woodlands-Phase 1", South 89°36'23" West, 115.26 feet; thence North 01°04'44" East, 118.46 feet; thence North 89°43'07" West 50.00 feet; thence North 01°04'44" East, 244.01 feet; thence South 89°43'07" East, 30.00 feet; thence North 01°04'44" East 272.34 feet; thence South 88°55'16" East 98.00 feet; thence North 01°04'44" East 13.34 feet to a point of curvature; thence Northeasterly along the arc of a 278.00 foot radius curve to the right, through a central angle of 04°03'23" (the long chord of which bears North 03°06'26" East, 19.68 feet) an arc distance of 19.68 feet; thence South 84°51'53" East, 56.00 feet; thence North 63°38'02" East, 617.64 feet; thence South 26°21'58" East 68.00 feet; thence North 63°38'02" East, 112.78 feet; thence South 26°21'58" East 408.00 feet; thence South 63°38'02" West 278.00 feet; thence South 26°21'58" East a distance of 16.70 feet to the Point of Beginning.

Less and Except Lots 81, 84, 90, 91, 92, 104 and 110 of Tract 1437-The Woodlands Phase 2

Tax Parcel Number: R892695 and R892696 and R892694 and R892693 and R892692 and R892690 and R892689 and R892688 and R892687 and R892741 and R892740 and R892703 and R892704 and R892698 and R892705 and R892706 and R892708 and R892709 and R892710 and R892712 and R892739 and R892738 and R892736 and R892735 and R892714 and R892715 and R892716 and R892720 and R892699 and R892721 and R892725 and R892726 and R892727 and R892729 and R892730 and R892731 and R892734 and R892724 and R892723 and R892722 and R892702 and R892700 and R892728