

2008-009931

Klamath County, Oregon



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07/09/2008 03:15:36 PM

Fee: \$101.00

AFTER RECORDING, RETURN TO:

INTERVEST-MORTGAGE INVESTMENT COMPANY

Attn: Brenda Lund

5005 S.W. Meadows Road, Suite 400

Lake Oswego, Oregon 97035

1st 916039

Document Title: Modification of Promissory Note and Deed of Trust
Reference No. of Document Modified: 2006-24379 and 2006-24380
Grantor: K Falls One LLC
Trustee: First American Title Insurance Company
Beneficiary: Intervest-Mortgage Investment Company

MODIFICATION OF PROMISSORY NOTE AND DEED OF TRUST

THIS MODIFICATION AGREEMENT is entered into this 24 day of June, 2008, by and between K FALLS ONE LLC, an Oregon limited liability company (hereinafter referred to as "Borrower"), and INTERVEST-MORTGAGE INVESTMENT COMPANY (hereinafter referred to as "Lender").

RECITALS

1. On or about October 30, 2006, Borrower made, executed and delivered to Lender its Promissory Note (hereinafter "Note"), in writing, in the original principal amount of \$925,000.00, together with interest thereon at the rate equal to the one-month LIBOR Rate (London Interbank Offer Rate) as published in the *Wall Street Journal*, plus 2.50%. The interest rate on all sums advanced shall be adjusted on the first day of the month following the date said rate is changed to equal the then present published one-month LIBOR Rate, plus 2.50%. The Note provided for maturity on June 1, 2008.

2. At the same time as the execution and delivery of the Note, and in order to secure repayment of the same, Borrower executed, in favor of Lender, a Deed of Trust, Assignment of Rents and Security Agreement (hereinafter "Deed of Trust"), encumbering certain real property located in Klamath County, Oregon (the "property"), and legally described in Exhibit "A" attached hereto. The Deed of Trust was thereafter recorded on December 8, 2006, Recording No. 2006-24379, records of Klamath County, Oregon.

3. At the same time as the execution and delivery of the Note and Deed of Trust, and in order to further secure repayment of the obligation of the Note, Borrower executed and delivered to Lender an Assignment of Leases and Cash Collateral (hereinafter "Assignment"), wherein Borrower assigned to Lender all of its rights under the leases, rents and income of the

F96-

property. The Assignment was recorded on December 8, 2006, Recording No. 2006-24380, records of Klamath County, Oregon.

4. At the same time as the execution and delivery of the Note and Deed of Trust, Borrower executed and delivered to Lender (i) its Certificate and Indemnity Regarding Hazardous Substances, which warrants to Lender that the Property has been and will continue to be used in conformity and in compliance with all local, state and federal ordinances, statutes, rules and regulations relating to the use, disposal, storage or transfer of hazardous substances, and agrees to indemnify and hold Lender harmless from any loss or damage caused by a breach of said warranties, and (ii) its Building Laws Indemnity, which warrants to Lender that the Property has been and will continue to be used in conformity and in compliance with all local, state and federal ordinances, statutes, rules and regulations relating to the development, use and operation of the Property, including the Americans With Disabilities Act, and agrees to indemnify and hold Lender harmless from any loss or damage caused by a breach of said warranties (hereinafter collectively referred to as the "Indemnity").

5. At the same time as the execution and delivery of the Note and Deed of Trust, and in order to further secure repayment of the obligation of the Note, B. Scott Fuller, Danielle L. Fuller, Greg J. Geertsen, Rosa M. Geertsen, Grant A. Appleton, Sharon D. Appleton, Steven E. Wilson, Michael J. Horwitz, Brandy N. Horwitz, the Horwitz Family Trust and Western Development Partners ("Guarantors"), and each of them, guaranteed repayment of Borrower's indebtedness to Lender in their written Guarantees. Said Guarantees are unconditional and shall remain in full force and effect as to the indebtedness of said Borrower under the Note and Deed of Trust, as modified herein. Guarantors do hereby reaffirm and ratify their previous Guarantees.

6. At the same time as the execution and delivery of the Note and Deed of Trust, Borrower and Lender entered into a written Construction Loan Agreement (hereinafter "Loan Agreement") which sets forth the terms and conditions on which Lender will advance funds to Borrower for construction of improvements on the property. As of June 15, 2008, construction is partially complete and Lender has advanced \$817,441.08 to Borrower pursuant to the Loan Agreement. Interest is paid through May 31, 2008.

7. Borrower is desirous of extending the maturity of the Note. Lender is willing to extend the maturity of the Note upon the other terms and conditions set forth herein.

8. On or about November 17, 2005 Borrower previously obtained a loan from Lender in the original principal amount of \$20,700,000.00 to finance the redevelopment and construction of a shopping center on adjacent property. The maturity date of the shopping center loan is also being extended in a separate modification agreement executed concurrently herewith.

9. The Note, the Deed of Trust, the Assignment, Indemnity, Loan Agreement, Guaranty and this Modification Agreement, and any other document executed in connection therewith or referred to therein, may hereinafter be referred to as the "Loan Documents."

AGREEMENT

NOW, THEREFORE, in consideration of their mutual benefits contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower and Lender hereby agree that the Note and Deed of Trust are modified as follows:

A. The maturity date of the Note is hereby extended from June 1, 2008 to December 1, 2008. Borrower shall execute a Modified Promissory Note concurrently herewith and promises and agrees to pay principal and interest under the Modified Note, as modified herein to Intervest-Mortgage Investment Company, 5005 S.W. Meadows Road, Suite 400, Lake Oswego, Oregon 97035, or at such other place as Lender may direct, in such coin or currency of the

United States of America as at the time of payment shall be legal tender for the payment of private and public debts.

B. The Loan Agreement contains Exhibit "B" known as the Estimated Development Costs and Required Equity Sheet. In consideration of Lender entering into this Modification Agreement, the parties have amended the Estimated Development Costs and Required Equity Sheet which is attached hereto as Exhibit "B", and which will supercede and replace the original Exhibit "B" attached to the Loan Agreement.

C. From the date of this Agreement until December 1, 2008, Borrower shall inject an additional \$2,500,000.00 of equity into the construction project (including the subject property and the adjacent shopping center project), and/or deposit funds into a bank controlled account which pursuant to the Loan Documents will be advanced toward construction costs. Borrower must provide evidence satisfactory to Lender demonstrating this additional equity investment in the construction. Borrower intends to seek additional investors as members of the borrowing entity, and Borrower shall obtain the funds necessary for the additional equity investment in a manner which does not violate Section 4.08 of the Deed of Trust.

D. In consideration of Lender entering into this Modification Agreement, Borrower agrees to pay Lender a nonrefundable loan fee in the amount of Two Thousand Three Hundred Twelve and 50/100 Dollars (\$2,312.50), the receipt of which is hereby acknowledged. Borrower also agrees to pay for Lender's legal fees incurred in the preparation of this loan documentation, together with the cost of a modification endorsement to Lender's title policy, together with all costs of recording this Agreement with the Office of the Klamath County Recorder.

E. The Deed of Trust includes a security agreement wherein Borrower granted to Lender a security interest in Borrower's personal property. As to all of the personal property which is or which hereafter becomes a "fixture" under applicable law, this Agreement constitutes a fixture filing under the Oregon Uniform Commercial Code, as amended or recodified from time to time. Borrower hereby authorizes Lender to file a financing statement, with or without Borrower's signature, to perfect Lender's lien and security interest in the Personal Property and Improvements as described in the Loan Documents (including any required continuation statements, amendment statements or other such documents necessary to perfect and continue the lien) and Borrower hereby expressly ratifies any financing statements Lender may have filed prior to the date of this Modification Agreement.

F. In the event Borrower shall, at any time be or have been in default hereunder or under the Loan Documents, Lender shall have the right, at Borrower's sole expense, to enter upon the property, either by itself or through its agent, for the purpose of conducting an MAI appraisal of the property. The cost of the appraisal shall be payable by Borrower to Lender on demand, and shall bear interest at the Note rate, as modified. It is expressly agreed and understood by Borrower that the occurrence of such a default shall be deemed to increase Lender's risk hereunder, thereby creating a need for Lender to have the information contained in an MAI appraisal of the property.

G. It is agreed and understood that all of the agreements, covenants and conditions of the Loan Documents shall remain in full force and effect, except for the amendments and modifications expressly mentioned herein.

H. Nothing herein contained shall in any manner affect the validity or priority of the lien established by the Deed of Trust encumbering the property referred to in Paragraph 2 above.

I. The recitals set forth in Paragraphs 1 through 9 above are incorporated into the substantive provisions of this Agreement.

J. UNDER OREGON LAW, MOST AGREEMENTS, PROMISES AND COMMITMENTS MADE BY A LENDER CONCERNING LOANS AND OTHER CREDIT EXTENSIONS WHICH ARE NOT FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES OR SECURED SOLELY BY THE BORROWER'S RESIDENCE, MUST BE IN WRITING, EXPRESS CONSIDERATION AND BE SIGNED BY THE LENDER TO BE ENFORCEABLE.

BORROWER:

K FALLS ONE LLC,
an Oregon limited liability company

By Western Development Partners, LLC, a
California limited liability company,
Member and Manager

By [Signature]
Greg J. Geertsen, Member and Manager

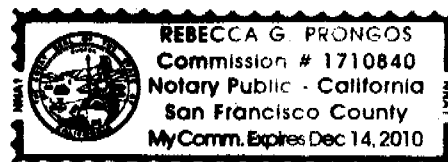
State of California)ss
County of SAN FRANCISCO)

On JUNE 24, 2008 before me, Rebecca G. Prongos, Notary Public, personally appeared Greg J. Geertsen, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Rebecca G. Prongos
Notary Name: Rebecca G. Prongos
My Commission Expires: 12-14-10
Notary Phone: 415-263-7195
Notary Registration Number: 1710840
County of Principal Place of Business: SAN FRANCISCO



This area for official notarial seal

GUARANTORS:

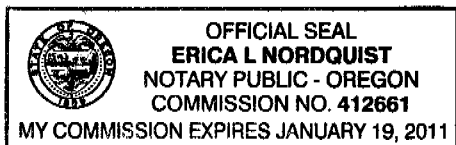

B. SCOTT FULLER



DANIELLE L. FULLER

State of Oregon }
County of Clackamas } ss.

I certify that I know or have satisfactory evidence B. Scott Fuller is the person who appeared before me, and said person signed this instrument and acknowledged it to be his free and voluntary act, for the uses and purposes mentioned in the instrument.

DATED: June 24, 2008.

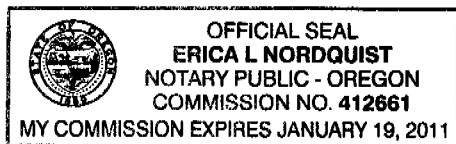


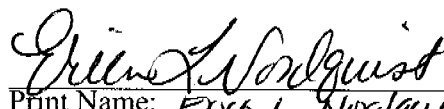

Print Name: Erica L. Nordquist
Notary Public in and for the State
Of Oregon, residing at Tigard, OR
My appointment expires: January 19, 2011

State of Oregon }
County of Clackamas } ss.

I certify that I know or have satisfactory evidence Danielle L. Fuller is the person who appeared before me, and said person signed this instrument and acknowledged it to be her free and voluntary act, for the uses and purposes mentioned in the instrument.

DATED: June 24, 2008.




Print Name: Erica L. Nordquist
Notary Public in and for the State
of Oregon, residing at Tigard, OR
My appointment expires: January 19, 2011

GUARANTORS:


GREG J. GEERTSEN

ROSA M. GEERTSEN

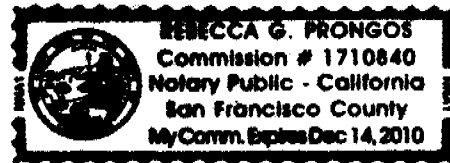
State of California)ss
County of SAN FRANCISCO)

On June 25, 2008 before me, Rebecca G. Prongos, Notary Public, personally appeared Greg J. Geertsen, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Rebecca G. Prongos
Notary Name: Rebecca G. Prongos
My Commission Expires: 12-14-10
Notary Phone: 415.263.7195
Notary Registration Number: 1710840
County of Principal Place of Business: San Francisco



This area for official notarial seal

GUARANTORS:

GREG J. GEERTSEN
GREG J. GEERTSEN
ROSA M. GEERTSEN
ROSA M. GEERTSEN

State of California)
County of SAN FRANCISCO)ss

On JUNE 25, 2008 before me, Rebecca G. Prongos, Notary Public, personally appeared Greg J. Geertsen, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Rebecca G. Prongos
Notary Name: Rebecca G. Prongos
My Commission Expires: 12-14-10
Notary Phone: 415-263-7195
Notary Registration Number: 1710840
County of Principal Place of Business: San Francisco



This area for official notarial seal

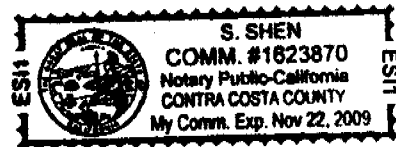
State of California)
County of Contra Costa)ss

On 6/30/08 before me, S. Shen, Notary Public, personally appeared Rosa M. Geertsen, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature [Signature]
Notary Name: S. Shen
My Commission Expires: 11/22/09
Notary Phone: (925) 288-8344
Notary Registration Number: 1623870
County of Principal Place of Business: Contra Costa



This area for official notarial seal

GUARANTORS:

Grant A. Appleton
GRANT A. APPLETON

Sharon D. Appleton
SHARON D. APPLETON

State of Oregon)
County of Jackson } ss.

I certify that I know or have satisfactory evidence Grant A. Appleton is the person who appeared before me, and said person signed this instrument and acknowledged it to be his free and voluntary act, for the uses and purposes mentioned in the instrument.

DATED: June 24, 2008.



Mary Kallas
Print Name: Mary Kallas
Notary Public in and for the State
Of Oregon, residing at Jackson County
My appointment expires: 12/14/2010

State of Oregon)
County of Jackson } ss.

I certify that I know or have satisfactory evidence Sharon D. Appleton is the person who appeared before me, and said person signed this instrument and acknowledged it to be her free and voluntary act, for the uses and purposes mentioned in the instrument.

DATED: June 24, 2008.



Mary Kallas
Print Name: Mary Kallas
Notary Public in and for the State
of Oregon, residing at Jackson County
My appointment expires: 12/14/2010

GUARANTOR:

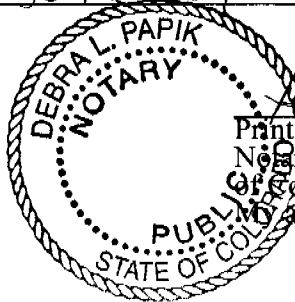
Steven E. Wilson
STEVEN E. WILSON

State of Colorado

County of Apache } ss.

I certify that I know or have satisfactory evidence that Steven E. Wilson is the person who appeared before me, and said person signed this instrument and acknowledged it to be his free and voluntary act, for the uses and purposes mentioned in the instrument.

DATED: June 29, 2008.




Debra L. Papik
Print Name: Debra L. Papik

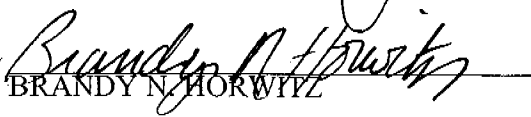
Notary Public in and for the State

of Colorado, residing at Highlands Ranch, CO

My appointment expires: 7-14-10

GUARANTORS:

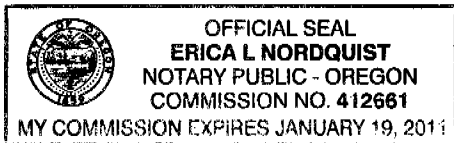

MICHAEL J. HORWITZ

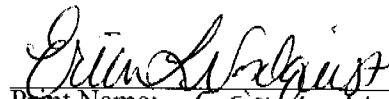

BRANDY N. HORWITZ

State of Oregon)
County of Clackamas) ss.

I certify that I know or have satisfactory evidence Michael J. Horwitz is the person who appeared before me, and said person signed this instrument and acknowledged it to be his free and voluntary act, for the uses and purposes mentioned in the instrument.

DATED: June 23, 2008.

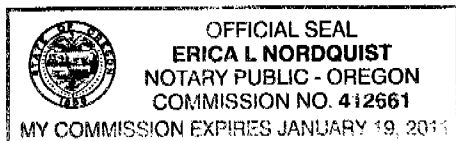




Print Name: Erica L. Nordquist
Notary Public in and for the State
Of Oregon, residing at Tigard, OR
My appointment expires: January 19, 2011

State of Oregon)
County of Clackamas) ss.

I certify that I know or have satisfactory evidence Brandy N. Horwitz is the person who appeared before me, and said person signed this instrument and acknowledged it to be her free and voluntary act, for the uses and purposes mentioned in the instrument.

DATED: June 23, 2008.




Print Name: Erica L. Nordquist
Notary Public in and for the State
of Oregon, residing at Tigard, OR
My appointment expires: January 19, 2011

GUARANTORS:

HORWITZ FAMILY TRUST under Trust
Agreement dated June 6, 2000

By

Michael J. Horwitz
Michael J. Horwitz, Trustee

By

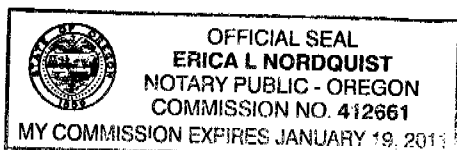
Brandy N. Horwitz
Brandy N. Horwitz, Trustee

State of Oregon

County of Clackamas } ss.

I certify that I know or have satisfactory evidence that Michael J. Horwitz is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as Trustee of the Horwitz Family Trust, to be the free and voluntary act of such party, for the uses and purposes mentioned in the instrument.

DATED: June 23, 2008.



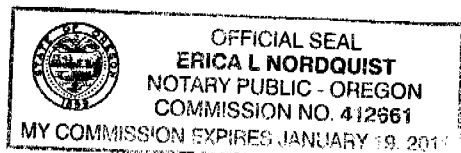
Erica L. Nordquist
Print Name: Erica L. Nordquist
Notary Public in and for the State
of Oregon, residing at Tigard, OR
My appointment expires: January 19, 2011

State of Oregon

County of Clackamas } ss.

I certify that I know or have satisfactory evidence that Brandy N. Horwitz is the person who appeared before me, and said person acknowledged that she signed this instrument, on oath stated that she was authorized to execute the instrument and acknowledged it as Trustee of the Horwitz Family Trust, to be the free and voluntary act of such party, for the uses and purposes mentioned in the instrument.

DATED: June 23, 2008.

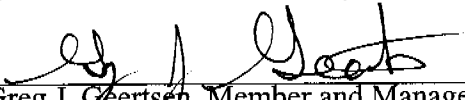


Erica L. Nordquist
Print Name: Erica L. Nordquist
Notary Public in and for the State
of Oregon, residing at Tigard, OR
My appointment expires: January 19, 2011

GUARANTOR:

WESTERN DEVELOPMENT PARTNERS,
LLC, a California limited liability company

By


Greg J. Geertsen, Member and Manager

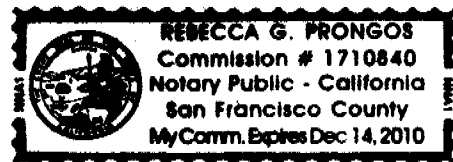
State of California)ss
County of San Francisco)

On June 24, 2008 before me, Rebecca G. Prongos, Notary Public, personally appeared Greg J. Geertsen, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Rebecca G. Prongos
Notary Name: Rebecca G. Prongos
My Commission Expires: 12-14-10
Notary Phone: 415-263-7195
Notary Registration Number: 1710840
County of Principal Place of Business: San Francisco



This area for official notarial seal

LENDER:

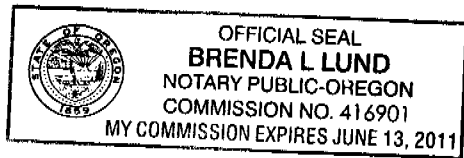
INTERVEST-MORTGAGE INVESTMENT
COMPANY

By Joanne Economaki
Its Senior Vice President

State of Oregon)
) ss.
County of Clackamas)

I certify that I know or have satisfactory evidence that JOANNE ECONOMAKI personally appeared before me, and on oath stated that she was authorized to execute the instrument and acknowledged it, as SR VICE PRESIDENT of INTERVEST-MORTGAGE INVESTMENT COMPANY, to be the free and voluntary act of such person, for the uses and purposes mentioned in the instrument.

DATED: JULY 1, 2008.



Brenda L Lund
Print Name: BRENDA L LUND
NOTARY PUBLIC in and for the State
of Oregon, residing at WILSONVILLE
My appointment expires: 06/13/11

EXHIBIT "A"

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

A part of Tract 36 of Enterprise Tracts, more particularly described as follows: Beginning at a point marking the intersection of the Southeasterly line of Avalon Street with the Northeasterly line of Pershing Way, which point bears South $0^{\circ}00'1/2''$ East a distance of 542.44 feet and South $55^{\circ}50'1/2''$ East a distance of 961.79 feet from the Northwest corner of Section 3, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon; thence North $30^{\circ}38'1/2''$ East, along the Southeasterly line of Avalon Street, a distance of 50.0 feet to a point; thence South $59^{\circ}21'1/2''$ East at right angles to Avalon Street, a distance of 150.0 feet to a point; thence South $30^{\circ}38'1/2''$ West, parallel with Avalon Street, a distance of 59.3 feet, more or less, to the Northeasterly line of Pershing Way; thence North $55^{\circ}50'1/2''$ West, along the Northeasterly line of Pershing Way, a distance of 150.28 feet, more or less, to the point of beginning.


EXHIBIT B - CONSTRUCTION LOAN AGREEMENT

Loan# 143003837
 Request# 9
 Dated 6/16/2008
 INTERVEST
 Mortgage Investment Co.
 Progress Certificate & Request For Payment

COST CLASSIFICATION	Orig. Cost Estimate	Extras & C/O This Draw	Extras & C/O Prev. Draw	Updated Cost Estimate	Borrower Equity	Approved Loan Budget	Amount Earned	Retainage	Previous Payments	Payment Requested	Contract Balance
Land	\$350,000.00			\$350,000.00	\$154,452.88	\$195,547.12	\$350,000.00		\$195,547.12	\$0.00	\$0.00
INTERVEST Const. Loan Fee	\$10,000.00	\$2,312.50		\$12,312.50		\$12,312.50	\$12,312.50		\$10,000.00	\$2,312.50	\$0.00
INTERVEST Site Inspector	\$1,000.00		\$5,000.00	\$6,000.00		\$6,000.00	\$1,600.00		\$1,600.00	\$0.00	\$4,400.00
INTERVEST Legal Costs	\$2,500.00		(\$150.00)	\$2,350.00		\$2,350.00	\$2,350.00		\$2,350.00	\$0.00	\$0.00
Closing/Title	\$7,500.00		(\$3,212.00)	\$4,288.00	\$100.00	\$4,188.00	\$4,288.00		\$4,188.00	\$0.00	\$0.00
Interest Reserve	\$60,000.00			\$60,000.00		\$60,000.00	\$52,892.25		\$52,892.25	\$0.00	\$7,107.75
Site A/E Fees	\$17,550.00		(\$7,818.00)	\$9,732.00		\$9,732.00	\$7,598.56		\$7,598.56	\$0.00	\$2,133.44
A & E Fees-Schematic/CLC	\$15,000.00		\$11,680.00	\$26,680.00		\$26,680.00	\$26,680.00		\$26,680.00	\$0.00	\$0.00
Bldg Permit/Plan Check	\$7,000.00			\$7,000.00		\$7,000.00	\$6,971.60		\$6,971.60	\$0.00	\$28.40
Water/Sewer Fees	\$25,000.00		(\$15,000.00)	\$10,000.00		\$10,000.00	\$6,105.00		\$6,105.00	\$0.00	\$3,895.00
Insurance	\$6,000.00			\$6,000.00		\$6,000.00	\$1,032.25		\$1,032.25	\$0.00	\$4,967.75
Material Testing	\$6,000.00			\$6,000.00		\$6,000.00	\$1,344.87		\$1,344.87	\$0.00	\$4,655.13
Property Taxes	\$8,000.00		(\$3,000.00)	\$5,000.00		\$5,000.00	\$5,000.00		\$5,000.00	\$0.00	\$0.00
Borrower Legal/Insurance	\$10,000.00		(\$4,073.55)	\$5,926.45		\$5,926.45	\$6,500.00		\$0.00	\$0.00	\$5,926.45
Appraisal	\$6,500.00			\$6,500.00	\$6,500.00	\$0.00	\$185.00		\$0.00	\$0.00	\$0.00
Environmental Fees	\$1,500.00			\$1,500.00		\$1,315.00	\$1,000.00		\$0.00	\$0.00	\$1,315.00
ALTA/Topo Survey	\$1,000.00			\$1,000.00		\$1,000.00	\$1,000.00		\$0.00	\$0.00	\$0.00
Construction Admin/CLC	\$3,900.00			\$3,900.00		\$3,900.00	\$3,900.00		\$0.00	\$0.00	\$3,900.00
Develop Serv Fee/WDP	\$17,166.00			\$17,166.00		\$17,166.00	\$17,166.00		\$17,166.00	\$0.00	\$0.00
Leasing Commissions	\$19,500.00			\$19,500.00		\$19,500.00	\$19,500.00		\$0.00	\$0.00	\$19,500.00
Soft Cost Contingency	\$7,184.00		(\$7,184.00)	\$0.00		\$0.00	\$0.00		\$0.00	\$0.00	\$0.00
Tenant Improvements	\$78,000.00		(\$63,000.00)	\$15,000.00		\$15,000.00	\$0.00		\$0.00	\$0.00	\$15,000.00
CONSTRUCTION											
Building Shell	\$234,000.00		\$232,157.92	\$486,157.92		\$486,157.92	\$486,157.92		\$486,157.92	\$0.00	\$0.00
Site Development	\$80,000.00		(\$68,192.49)	\$11,807.51		\$11,807.51	\$11,807.51		\$11,807.51	\$0.00	(\$0.00)
Contractor OH&P	\$30,000.00		(\$30,000.00)	\$0.00		\$0.00	\$0.00		\$0.00	\$0.00	\$0.00
General Conditions	\$10,000.00		(\$10,000.00)	\$0.00		\$0.00	\$0.00		\$0.00	\$0.00	\$0.00
Contingency	\$15,700.00	(\$2,312.50)	\$19,030.00	\$32,417.50		\$32,417.50	\$0.00		\$0.00	\$0.00	\$32,417.50
Total	1,030,000.00	-	\$5,237.88	1,086,237.88	161,237.88	925,000.00	980,991.46	-	817,441.08	2,312.50	105,246.42
Deferred Equity				\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00
Up Front Equity	\$105,000.00		\$5,237.88	\$161,237.88	\$161,237.88	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00
Loan	925,000.00	-	-	925,000.00	-	925,000.00	980,991.46	-	817,441.08	2,312.50	105,246.42

LESS Site Inspection
 Less Modification Fee
 DEPOSIT to Borrower

CERTIFICATION: The undersigned hereby confirms, represents and warrants to Lender that by executing this document and delivering the same to Lender, whether by delivering the original document, providing a copy, faxing the original or a copy or providing some other replication of the same, the undersigned intend(s) for Lender to rely on the information contained in the document and the signature appearing hereon.

K Falls One LLC

 By: Greg Oertsen
 Title: Manager & Member