

THIS DOCUMENT PREPARED UNDER
THE SUPERVISION OF OREGON COUNSEL
AND AFTER RECORDING RETURN TO:

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State of Oregon, County of Klamath
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**FIRST AMENDMENT TO TRUST DEEDS,
ASSIGNMENTS OF RENTS AND LEASES AND SECURITY AGREEMENTS
AND OTHER LOAN DOCUMENTS**

CRYSTAL TERRACE RETIREMENT COMMUNITY, LLC,
an Oregon limited liability company,
Grantor

and

CT ACRES, LLC,
an Oregon limited liability company,
Grantor

to

FIRST AMERICAN TITLE INSURANCE CORPORATION,
Trustee

in favor of

GENERAL ELECTRIC CAPITAL CORPORATION,
a Delaware corporation,
Beneficiary

Tax Account Number(s) of Trust Properties: 3809-2000-500, Key No. 428059.

**FIRST AMENDMENT TO TRUST DEEDS,
ASSIGNMENTS OF RENTS AND LEASES AND SECURITY AGREEMENTS
AND OTHER LOAN DOCUMENTS**

**THIS DOCUMENT CONSTITUTES A FIXTURE FILING IN ACCORDANCE WITH
ORS 79.4020(6).**

This FIRST AMENDMENT TO TRUST DEEDS, ASSIGNMENTS OF RENTS AND LEASES AND SECURITY AGREEMENTS AND OTHER LOAN DOCUMENTS (this "Amendment") is made as of this 8th day of August, 2003, by CRYSTAL TERRACE RETIREMENT COMMUNITY, LLC, an Oregon limited liability company ("Crystal") and CT ACRES, LLC, an Oregon limited liability company ("CT") (Crystal and CT are collectively referred to as "Grantors"), whose address is 3723 Fairview Industrial Drive SE, Suite 270, P.O. Box 3006, Salem, Oregon 97302-0006. The Trustee of both Trust Deeds (as hereinafter defined) is FIRST AMERICAN TITLE INSURANCE CORPORATION ("Trustee"), whose address is 422 Main Street, Klamath Falls, Oregon 97601. The Beneficiary of both Trust Deeds is GENERAL ELECTRIC CAPITAL CORPORATION, a Delaware corporation (as successor to GE HFS Holdings, Inc., formerly known as Heller Healthcare Finance, Inc. ("Heller"), together with any successors or assigns in such capacity, "Beneficiary"), whose address is 2 Bethesda Metro Center, Suite 600, Bethesda, Maryland 20814.

RECITALS

A. Beneficiary and Grantor are parties to that certain Loan Agreement dated May 31, 2001, executed by and between Grantor, certain affiliates of Grantor and Heller (the "Loan Agreement"), pursuant to which Heller agreed to make a loan (the "Loan") to Grantor and such affiliates of Grantor in the original principal amount of Four Million Eight Hundred Thousand and No/100 Dollars (\$4,800,000.00). The Loan is evidenced by a Promissory Note A dated May 31, 2001, in the original principal amount of Three Million One Hundred Twenty Thousand and No/100 Dollars (\$3,120,000.00) and a Subordinated Promissory Note B dated May 31, 2001, in the original principal amount of One Million Six Hundred Eighty Thousand and No/100 Dollars (\$1,680,000.00) (said notes together with all amendments thereto and substitutions therefor, the "Note"), providing for monthly payments as set forth in the Note, with the balance thereof, due and payable on November 30, 2003 (said date, any later date to which the maturity date may be extended in accordance with the Note, or any earlier date on which the entire unpaid principal amount shall be paid or required to be paid in full, whether by prepayment, acceleration or otherwise is hereinafter called the "Maturity Date"). The terms and provisions of the Loan Agreement and Note are hereby incorporated by reference in this Amendment. Except as otherwise provided herein, all capitalized terms used in this Amendment shall have the meanings assigned to such terms in the Loan Agreement.

B. The documents evidencing and securing the Loan are referenced herein collectively as the "Loan Documents." The Loan is secured by, among other things, (i) a

certain Trust Deed, Assignment of Rents and Leases and Security Agreement executed by Crystal to Trustee, in favor of Heller, dated May 31, 2001, recorded on June 8, 2001, in the Recorder of Deeds Office of Klamath County, Oregon, in Volume M01, page 27208 (the "Crystal Trust Deed") and that (ii) a certain Trust Deed, Assignment of Rents and Leases and Security Agreements executed by CT to Trustee in favor of Heller, dated May 31, 2001, recorded on June 8, 2001, in the Recorder of Deeds Office of Klamath County, Oregon, in Volume M01, page 27266 (the "CT Trust Deed"; and collectively with the Crystal Trust Deed, the "Trust Deeds"). The Trust Deeds have been assigned by Heller to Beneficiary pursuant to (i) that certain Assignment of Trust Deed, Assignment of Rents and Leases and Security Agreement, of even date herewith, recorded on Aug. 8th, 2003, in the Recorder of Deeds Office of Klamath County, Oregon, in Volume M 03-, page _____, and (ii) that certain Assignment of Trust Deed, Assignment of Rents and Leases and Security Agreement, of even date herewith, recorded on Aug. 8th, 2003, in the Recorder of Deeds office of Klamath County, Oregon, in Volume M 03-, page _____.

C. On the terms and conditions set forth herein, Grantor and Beneficiary have agreed to modify certain terms of the Loan Agreement, Trust Deed and other Loan Documents.

AGREEMENTS

NOW, THEREFORE, in consideration of the foregoing Recitals and the mutual conditions and agreements contained herein and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), Grantors and Beneficiary hereby agree as follows:

1. Definitions. All capitalized terms not otherwise defined herein shall have the meanings associated with such terms in the Loan Agreement.

2. Acknowledgments, Representations, Affirmations. After giving effect to this Amendment, to each Grantor's knowledge, no defaults or Events of Default have occurred and are continuing under the Loan Documents and, each of the representations and warranties set forth in the Loan Documents is, and will remain, true and correct and are hereby remade as of the date hereof.

3. Amendments. The Loan Documents are hereby amended as follows:

(a) The phrase "Other Loan" as defined in Recital E of the Loan Agreement shall hereinafter mean the loan made by Beneficiary to Aspen Wind Property, LLC, Aspen Wind Assisted Living Community, LLC, Meadow Wind Assisted Living Community, LLC, Spring Wind Assisted Living Community, LLC, Sierra Hills Assisted Living Community, LLC and Park Place Assisted Living, LLC, in an amount up to or equal to Twenty Three Million Eight Hundred Thousand and No/100 Dollars (\$23,800,000) the proceeds of which are being used principally to refinance or acquire certain assisted living facilities located in Wyoming.

(b) The phrase "Other Loan Instruments" as defined in Recital E of the Loan Agreement shall hereinafter mean, collectively, all notes, instruments, agreements, certificates and documents evidencing or securing the Other Loan (as said term is amended hereby) or executed in connection therewith, and any modifications, renewals and extensions thereof.

(c) The following Section 7.1(k) is added to the Loan Agreement:

"(k) The occurrence of a default and the expiration of any cure period applicable thereto under any of the Other Loan Instruments."

(d) The first sentence of Section 24 of both Trust Deeds is hereby amended and restated in its entirety to read:

"Upon payment of all sums secured by this Trust Deed, Beneficiary shall release this Trust Deed; provided, however, if the Loan has been repaid in full and all other amounts due and payable under the Loan Agreement and the other Loan Documents have been paid in full, then so long as there is no default then continuing (beyond any applicable notice and cure periods) under any of the Other Loan Instruments, Beneficiary shall release this Trust Deed."

4. Incorporation of Amendment. The Loan Agreement and all of the other Loan Documents are amended to provide that all references to "Loan Documents," or to any specified Loan Document, shall mean and include the Loan Documents as amended by this Amendment.

5. Counterparts. This Amendment may be executed in any number of counterparts, each of which, when executed and delivered, shall be deemed to be an original, but such counterparts shall together constitute but one and the same instrument.

6. Continuing Effect. Each of the Loan Documents shall be deemed amended so far as to be consistent with this Amendment. Except as modified hereby, the Loan Documents shall remain in full force and effect in accordance with their respective terms.

7. Binding Effect/Governing Law. This Amendment shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Beneficiary and each Grantor, subject to the provisions of the Loan Documents as amended hereby. This Amendment shall be governed by and construed in accordance with the internal laws of the State of Illinois.

8. No Waiver. The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided in this Amendment, operate as a waiver of any right, power or remedy of Beneficiary, nor constitute a waiver of any provision of the

Loan Agreement, the Loan Documents or any other documents, instruments and agreements executed or delivered in connection with any of the foregoing. Nothing herein is intended or shall be construed as a waiver of any existing defaults or Events of Default under the Loan Agreement or Loan Documents or any of Beneficiary's rights and remedies in respect of such defaults or Events of Default.

UNDER OREGON LAW, MOST AGREEMENTS, PROMISES AND COMMITMENTS MADE BY A LENDER AFTER OCTOBER 3, 1989, 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.

IN WITNESS WHEREOF, the undersigned have executed this Amendment or have caused the same to be executed by its duly authorized representatives as of the date first above written.

GRANTORS:

CRYSTAL TERRACE RETIREMENT
COMMUNITY, LLC, an Oregon limited liability
company

By 
Name: Jon M. Harder
Its: Manager

CT ACRES, LLC, an Oregon limited liability
company

By: 
Name: Jon M. Harder
Its: Manager

BENEFICIARY:

GENERAL ELECTRIC CAPITAL
CORPORATION, a Delaware corporation

By: _____
Name: _____
Its: _____

IN WITNESS WHEREOF, the undersigned have executed this Amendment or have caused the same to be executed by its duly authorized representatives as of the date first above written.

GRANTORS:

CRYSTAL TERRACE RETIREMENT
COMMUNITY, LLC, an Oregon limited liability
company

By _____
Name: Jon M. Harder
Its: Manager

CT ACRES, LLC, an Oregon limited liability
company

By: _____
Name: Jon M. Harder
Its: Manager

BENEFICIARY:

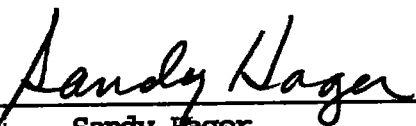
GENERAL ELECTRIC CAPITAL
CORPORATION, a Delaware corporation

By Bud Haber
Name: Bud Haber
Its: V.P.

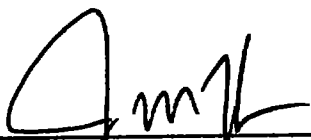
AGREED AND CONSENTED TO BY:


TRUSTEE:

FIRST AMERICAN TITLE INSURANCE
CORPORATION, an Oregon corporation

By: 
Name: Sandy Hager
Its: Vice President

GUARANTORS:


JON M. HARDER


DARRYL E. FISHER

ACKNOWLEDGMENT

STATE OF Oregon)
) ss
COUNTY OF Marion)

This instrument was acknowledged before me this 31st day of July, 2003, by Jon M. Harder, the Manager of CRYSTAL TERRACE RETIREMENT COMMUNITY, LLC, an Oregon limited liability company, on behalf of said limited liability company.

[SEAL]



Diane Beyer
Notary Public

Diane Beyer
Notary's Name (printed)

My Commission Expires:

9/4/05

ACKNOWLEDGMENT

STATE OF Oregon)
COUNTY OF Marion) ss

This instrument was acknowledged before me this 3rd day of July, 2003, by Jon M. Harder, the Manager of CT ACRES, LLC, an Oregon limited liability company, on behalf of said limited liability company.

[SEAL]



Diane Beyer
Notary Public

Diane Beyer
Notary's Name (printed)

My Commission Expires:

9/4/05

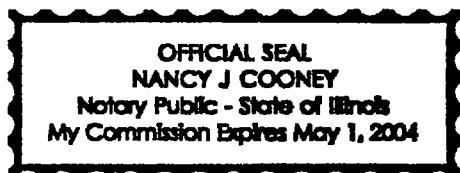
ACKNOWLEDGMENT

57457

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

This instrument was acknowledged before me this 29 day of July, 2003, by
Brad Haber, the VP of GENERAL ELECTRIC CAPITAL
CORPORATION, Delaware corporation, on behalf of said corporation.

[SEAL]



Nancy J. Cooney
Notary Public

Nancy J. Cooney
Notary's Name (printed)

My Commission Expires:

May 1, 2004

ACKNOWLEDGMENT

STATE OF Oregon)
) ss
 COUNTY OF Marion)

This instrument was acknowledged before me this 5th day of ^{August}~~July~~, 2003, by Sandy Hager, the Vice President of FIRST AMERICAN TITLE INSURANCE CORPORATION, a Oregon corporation, on behalf of said corporation.

[SEAL]

Jenny Sheets
 Notary Public

Jenny Sheets
 Notary's Name (printed)

My Commission Expires: 3-26-05



ACKNOWLEDGMENT

STATE OF Oregon)
) ss
COUNTY OF Marion)

This instrument was acknowledged before me this 31st day of July, 2003, by
 , JON M. HARDER, an individual.

[SEAL]



Diane Beyer
Notary Public

Diane Beyer
Notary's Name (printed)

My Commission Expires:

9/4/05

ACKNOWLEDGMENT

STATE OF Oregon)
COUNTY OF Marion) ss

This instrument was acknowledged before me this 31st day of July, 2003, by
 , DARRYL E. FISHER, an individual.

[SEAL]



Diane Beyer
Notary Public

Diane Beyer
Notary's Name (printed)

My Commission Expires:

9/4/05

EXHIBIT A

LEGAL DESCRIPTION

PARCEL 1:

Parcel 1 of Land Partition 62-00 situate in the Southeast ¼ Northeast ¼ of Section 20, Township 38 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon.

Record Owner: Crystal Terrace Retirement Community, LLC, an Oregon limited liability company

Property Address: _____

PARCEL 2:

Parcel 2 of Land Partition 62-00 situate in the Southeast ¼ Northeast ¼ of Section 20, Township 38 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon

Record Owner: CT ACRES, LLC, an Oregon limited liability company

Property Address: _____
