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2012-003341

Klamath County, Oregon

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RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

03/30/2012 12:31:33 PM

Fee: \$152.00

Gary Ruben, Esq.
GOLDBERG KOHN LTD.
55 East Monroe Street
Suite 3300
Chicago, Illinois 60603
(312) 201-4000

**ASSIGNMENT AND ASSUMPTION AGREEMENT AND
SECOND MODIFICATION TO LOAN AGREEMENT
AND OTHER LOAN DOCUMENTS
(Klamath County, Oregon)**

**PLUM RIDGE CARE COMMUNITY, LLC,
an Oregon limited liability company,
Assignor**

**SKY LAKES SNF, LLC,
a California limited liability company
Assignee**

**U.S. BANK NATIONAL ASSOCIATION,
a national banking association, solely in its capacity as
Grantor Trust Trustee of Marathon Real Estate CDO 2006-1 Grantor Trust, Series XX
Lender**

Tax Account Number(s) of Trust Property: R752064 and P889734

Deed reference #2007-13029

**ASSIGNMENT AND ASSUMPTION AGREEMENT AND
SECOND MODIFICATION TO LOAN AGREEMENT AND
OTHER LOAN DOCUMENTS**

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT AND SECOND MODIFICATION TO LOAN AGREEMENT AND OTHER LOAN DOCUMENTS (this "**Agreement**") is made as of March 30, 2012, by and among PLUM RIDGE CARE COMMUNITY, LLC, an Oregon limited liability company ("**Assignor**"), SKY LAKES SNF, LLC, a California limited liability company ("**Assignee**"), U.S. BANK NATIONAL ASSOCIATION (successor to Bank of America, National Association (successor to LaSalle Bank National Association)), not in its individual capacity but solely in its capacity as Grantor Trust Trustee of Marathon Real Estate CDO 2006-1 Grantor Trust, Series XX ("**Lender**"), WILLAMETTE PROPERTY HOLDINGS, LLC, an Oregon limited liability company ("**Original Guarantor**"), WILLIAM M. BRYAN, an individual residing in the State of California ("**William Bryan**"), JENNIFER BRYAN, an individual residing in the State of California ("**Jennifer Bryan**"), and RICHARD S. HERSCHENFELD, an individual residing in the State of California ("**Herschenfeld**"; and together with William Bryan and Jennifer Bryan, each a "**New Guarantor**" and collectively, jointly and severally, the "**New Guarantors**").

RECITALS

A. Marathon Structured Finance Fund L.P., a Delaware limited partnership ("**Original Lender**") and Assignor are parties to that certain Loan Agreement dated as of July 19, 2007 (the "**Original Loan Agreement**"), as the same has been amended by that certain First Loan Modification Agreement dated as of August 11, 2011 (the "**First Loan Modification**"; the Original Loan Agreement, as amended by the First Loan Modification, is referred to herein as the "**Loan Agreement**"), pursuant to which Lender made a loan to Assignor originally in the aggregate principal amount of Four Million Six Hundred Thousand and No/100 Dollars (\$4,600,000) (the "**Loan**").

B. Pursuant to the First Loan Modification, the Loan is evidenced by that certain Second Amended and Restated Promissory Note dated as of August 11, 2011 by Assignor in the original principal amount of \$4,211,769.90 (the "**Amended and Restated Note**").

C. In connection with the Loan, Assignors executed and delivered to Lender that certain Leasehold Deed of Trust, Assignment of Rents and Security Agreement (the "**Original Leasehold Deed of Trust**") executed as of July 19, 2007 by Assignor in favor of Original Lender and recorded on July 23, 2007 as Document Number 2007-013029 of the Official Records of Klamath County, Oregon, that certain Assignment of Leases and Rents (the "**Original Assignment of Leases**") executed as of July 17, 2007 by Assignor in favor of Original Lender and recorded on July 23, 2007 as Document Number 2007-013030 of the Official Records of Klamath County.

D. Original Lender assigned its interest in the Leasehold Deed of Trust and the Original Assignment of Leases to LaSalle Bank National Association ("**LaSalle**"), a national banking association, in its capacity as the trustee for Marathon Real Estate CDO 2006-1 Grantor Trust, Series XX pursuant to that certain Assignment of Leasehold Deed of Trust, Assignment of Leases and Rents and Security Agreement dated as of November 28, 2007 and recorded in Klamath County, Oregon on December 11, 2007 as Document Number 2007-020734 and that certain Assignment of Assignment of Leases and Rents dated as of November 28, 2007 and recorded in Klamath County, Oregon on December 11, 2007 as Document Number 2007-020735.

E. U.S. Bank National Association is successor trustee to Bank of America, N.A., which is the successor by merger to LaSalle, and is the current Grantor Trust Trustee of Marathon Real Estate CDO 2006-1 Grantor Trust, Series XX.

F. The Original Leasehold Deed of Trust and the Original Assignment of Leases were amended by that certain First Amendment to Leasehold Deed of Trust, Assignment of Rents and Security Agreement and Assignment of Leases and Rents dated as of August 11, 2011 by and between Assignor and Lender and recorded October 25, 2011 as Document Number 2011-011937 of the Official Records of Klamath County (the "**First Amendment**"; the Original Leasehold Deed of Trust, as amended by the First Amendment, is referred to herein as the "**Leasehold Deed of Trust**" and the Original Assignment of Leases, as amended by the First Amendment, is referred to herein as the "**Assignment of Leases**"). A legal description of the real estate encumbered by the Leasehold Deed of Trust and the Assignment of Leases is attached hereto as Exhibit A.

G. Concurrently herewith, pursuant to that certain Purchase and Sale Agreement and Escrow Instructions dated as of October 14, 2011 (the "**Purchase Agreement**") by and between Assignor and RBD Capital Group, LLC, a California limited liability company ("**RBD**"), Assignee, as assignee of RBD of all rights under the Purchase Agreement, shall acquire all of Assignor's leasehold rights of the sub-lease of the Property (the "**Transfer**"), and pursuant to said acquisition, Assignor shall assign (the "**Loan Assignment**") their interest in the Loan to Assignee in accordance with the terms and conditions of this Agreement.

H. Concurrently herewith: (i) Assignee shall execute and deliver to Lender a Third Amended and Restated Promissory Note in the original principal amount of \$4,175,315.87 (the "**Third Amended and Restated Note**"); (ii) the New Guarantors shall execute that certain Guaranty in favor of Lender (the "**New Guaranty**"); and (iii) Assignee and New Guarantors shall execute that certain Second Amended and Restated Environmental Indemnity Agreement in favor of Lender (the "**New Environmental Indemnity**"). As used herein, the term "**Loan Modification Documents**" means and includes, collectively, this Agreement, the Third Amended and Restated Note, the New Guaranty, the New Environmental Indemnity, the Lockbox Agreement (as defined in Section 5 below) and the New UCC's (as defined in Section 5 below).

I. In connection with the Transfer, the parties intend to amend the terms of the Loan Agreement and the other Loan Documents, as set forth herein.

THEREFORE, for and in consideration of the foregoing recitals and the mutual agreements and covenants herein contained, the parties hereto agree as follows:

1. Terms. The capitalized terms used in this Agreement shall have the meanings ascribed to such terms in the Loan Agreement unless otherwise defined herein.

2. Acknowledgements, Representations, Reaffirmations. Assignor and Assignee each hereby acknowledges, represents and/or reaffirms that, as of the date hereof:

(a) the above Recitals are true, accurate, and correct in all respects and that such Recitals are incorporated into this Agreement by reference herein;

(b) the outstanding principal balance of the Loan is \$4,175,315.87 and Lender has no obligation to make further disbursements of the Loan;

(c) Assignor does not have any (i) defense or offset with respect to the payment of any sum owed to Lender or with respect to the performance or observance of any covenant contained in the Loan Documents or (ii) claim or counterclaim against Lender or any of its officers, employees or agents (whether in tort or contract) arising out of or in connection with the Loan or the Loan Documents, any such defenses, offsets, claims or counterclaims (known or unknown) being hereby waived and released by Assignor and its respective successors and assigns;

(d) each of the Loan Documents is, and after giving effect to this Agreement and the other Loan Modification Documents, shall be, in full force and effect, none of the obligations of Assignor under any Loan Document to which Assignor is a party shall be released, waived, modified or otherwise affected by this Agreement or the other Loan Modification Documents, except as specifically set forth in this Agreement;

(e) to the knowledge of each Assignor, no defaults or Events of Default have occurred and are continuing and each of the representations and warranties set forth in the Loan Documents is, and after giving effect to this Agreement and the other Loan Modification Documents, will remain, true and correct in all material respects and are hereby remade as of the date hereof; and

(f) the Transfer constitutes the one time right of Assignor to convey the Property to a Permitted Transferee pursuant to Section 4.2.1 of the Loan Agreement and Assignee acknowledges and agrees that Assignee shall have no right to convey the Property to a Permitted Transferee pursuant to Section 4.2.1 of the Loan Agreement as amended hereby.

3. Assignment and Assumption. As of the date hereof, subject to the terms and conditions of this Agreement, Assignor assigns, and Assignee assumes and agrees to pay and perform, all of the Debt and the Obligations under the Loan Documents strictly in accordance with the terms of the Loan Documents, in the time, manner and amount therein set forth, and Assignee hereby becomes, the "Borrower" under the Loan Documents. Without limitation to the foregoing, Assignee assumes and agrees to (a) pay the outstanding principal balance of the Loan (as set forth in the Third Amended and Restated Note) plus all accrued but unpaid interest thereon strictly in accordance with the terms of the Third Amended and Restated Note and the Loan Documents (as such Loan Documents are amended, restated and/or replaced pursuant to this Agreement and the other Loan Modification Documents), (b) perform the obligations of Assignor under the Leasehold Deed of Trust and the Assignment of Leases (each as amended hereby and by the other Loan Modification Documents), and (c) to be bound by all terms and conditions of the Loan Documents (as such Loan Documents are amended, restated and/or replaced pursuant to this Agreement and the other Loan Modification Documents) to which Assignor was a party as if Assignee were originally the Borrower thereunder. Without limiting any of the foregoing, Assignee hereby makes all of the representations and warranties of Borrower set forth in the Loan Documents (each as amended, restated and/or replaced pursuant to this Agreement and the other Loan Modification Documents) as being made by Borrower thereunder.

4. Amendments. As of the date hereof, the Loan Agreement and the other Loan Documents shall be amended as follows:

(a) Modification of Definitions.

(i) The term "Borrower", as used and defined in the Loan Agreement and the other Loan Documents shall mean Assignee.

(ii) The term "Environmental Indemnity", as used and defined in the Loan Agreement and the other Loan Documents, shall mean the New Environmental Indemnity.

(iii) The term "Guarantor", as used and defined in the Loan Agreement and the other Loan Documents, shall mean (individually and collectively, as the context may require) the New Guarantors who are executing the New Guaranty as joint and several guarantors and the Amended and Restated Environmental Indemnity as joint and several indemnitors.

(iv) The term "Note", as used and defined in the Loan Agreement and the other Loan Documents, shall mean the Third Amended and Restated Note.

(v) The term "Recourse Guaranty", as used and defined in the Loan Agreement and the other Loan Documents, shall mean the New Guaranty.

(vi) The term "Loan Documents", as used and defined in the Loan Agreement and the other Loan Documents, shall hereafter mean the Loan Documents, each as amended, restated and/or replaced, as applicable, by the Loan Modification Documents, and shall include without limitation each of the Loan Modification Documents; and any reference to any Loan Document shall mean such Loan Document, as amended, restated and/or replaced, as applicable, by the Loan Modification Documents.

(vii) The term "Loan", as used and defined in the Loan Agreement and the other Loan Documents, shall hereafter mean the Loan, as amended by the Loan Modification Documents.

(b) Modification of Loan Terms.

(i) Section 11.3(b) of the Loan Agreement is hereby amended by deleting the authorized agent and replacing it as follows:

Richard Herschenfeld
c/o RBD Capital Group, LLC
525 Colorado Avenue
Santa Monica, CA 90401

(ii) Section 11.6 of the Loan Agreement is hereby amended by deleting the notice addresses and restating them as follows:

If to Lender: Marathon Real Estate CDO 2006-1 Grantor Trust, Series XX
c/o Marathon Asset Management, L.P.
One Bryant Park, 38th Floor
New York, New York 10036
Attention: Craig H. Thaler

with a copy to: Goldberg Kohn Ltd.
55 East Monroe Street
Suite 3300
Chicago, Illinois 60603
Attention: Gary Ruben

If to Borrower: c/o RBD Capital Group, LLC
525 Colorado Avenue
Santa Monica, CA 90401
Attention: Richard Herschenfeld

with a copy to: c/o RBD Capital Group, LLC
525 Colorado Avenue

Santa Monica, CA 90401
Attention: William M. Bryan

(iii) The provisions of Section 4.2.1 of the Loan Agreement that were added by Section 3(b) of the First Loan Modification are hereby deleted in their entirety.

5. Conditions Precedent. Provided that no default or Events of Default shall have occurred and are then continuing under the Loan Documents, this Agreement shall be effective at such time as each of the following shall have occurred:

(a) Lender shall have received the following documents, all in form and substance reasonably satisfactory to Lender, each of which shall constitute a Loan Document, as such term is defined in the Loan Agreement:

- (i) this Agreement;
- (ii) the Third Amended and Restated Note;
- (iii) such Uniform Commercial Code financing statements naming Assignee, as debtor, and Lender, as secured party, as Lender may require (the "New UCC's");
- (iv) the New Guaranty;
- (v) New Environmental Indemnity;
- (vi) an executed Lockbox / Control Account Agreement with a bank approved by Lender in a form approved by Lender (the "**Lockbox Agreement**"); and
- (vii) any other documents Lender may reasonably require in order to consummate the transactions contemplated in this Agreement.

(b) Lender shall have received such documents and certificates as it may reasonably request, including all organizational documentation, good standing certificates, resolutions and opinions of counsel reasonably satisfactory to Lender;

(c) Lender shall have received copies of any requisite notices to or approvals of the Operator, the lessor (as defined in the Ground Lease) and the owner of the land that is subject to the Ground Lease, with respect to the proposed Transfer;

(d) Lender shall have received evidence of consummation of the Transfer satisfactory to Lender, pursuant to agreements and instruments satisfactory to Lender;

(e) All accrued interest with respect to the Loan is paid in full and all of Lender's reasonable out-of-pocket costs, including attorney's fees and expenses, in connection with this Agreement, shall have been paid;

(f) Lender shall have received such approvals from the rating agencies as may be necessary to avoid a downgrade, qualification, reduction or withdrawal of any rating assigned to any securities issued in connection with the Loan;

(g) Lender shall have received opinions of counsel reasonably satisfactory to Lender with respect to the transactions described in this Agreement; and

(h) Lender shall have received a title insurance policy with respect to its Leasehold Deed of Trust, as amended hereby, in form reasonably acceptable to Lender and including any endorsements thereto Lender may reasonably require, insuring marketability of title and insuring that the lien of its Leasehold Deed of Trust, as amended hereby is a valid first lien on the Operating Lease, subject only to exceptions to title reasonably approved by Lender, in the amount of the Loan.

6. Representations and Warranties.

(a) Assignee is duly formed, validly existing and in good standing under the laws of the State of California with its principal place of business at 525 Colorado Avenue, Santa Monica, CA 90401. Assignee is in good standing under the laws of the State of Oregon and is authorized to transact business in the State of Oregon. Each of the Loan Documents, as amended, restated and/or replaced hereby and pursuant to the other Loan Modification Documents, constitutes the duly authorized, valid and legally binding obligation of Assignee and New Guarantors, as the case may be, enforceable against Assignee and New Guarantors, as the case may be, each in accordance with its respective terms, except as enforceability is limited by bankruptcy and similar laws and general principles of equity.

(b) A true and complete copy of the articles of organization, and operating agreement of Assignee and all other documents creating and governing Assignee (collectively, the "**Organizational Documents**") have been furnished to Lender. There are no other agreements, oral or written, among any of the members of Assignee relating to Assignee. The Organizational Documents were duly executed and delivered, are in full force and effect, and binding upon and enforceable in accordance with their terms. The Organizational Documents of Assignee constitute the entire understanding among the members of Assignee. No breach exists under the Organizational Documents and no act has occurred and no condition exists which, with the giving of notice or the passage of time would constitute a breach under the Organizational Documents.

(c) Neither Assignee, nor any member of Assignee, nor any New Guarantor, is (after taking into account the transactions contemplated hereby) insolvent and there has been no: (i) assignment made for the benefit of the creditors of any of them; (ii) appointment of a receiver for any of them or for the property of any of them; or (iii) bankruptcy, reorganization, or liquidation proceeding instituted by or against any of them.

7. Expenses. Assignee and Assignor jointly and severally agree to pay all expenses of Lender incurred in connection with the consent and modifications to the Loan herein contained, including without limitation reasonable attorney's fees, the cost of obtaining lien searches and expenses and recording charges.

8. No Setoffs. Assignor hereby acknowledges and agrees that as of the date hereof there are no setoffs or defenses against the Debt and the Obligations and no claims by Assignor against Lender.

9. Further Assurances. Assignor and Assignee will, at their expense, do, execute, acknowledge, deliver or cause to be done, executed, acknowledged and delivered all such further acts, instruments and assurances required by Lender on their part to be performed to effectuate the purposes of this Agreement.

10. References. All references to "Borrower" or "Borrowers" in any of the Loan Documents shall be and include a reference to Assignee and Assignee is hereby made a party to each Loan Document to which Assignor was a party. This Agreement and each of the other Loan Modification Documents shall be a Loan Document and all references to the "Loan Documents" shall include a reference to this Agreement and each of the other Loan Modification Documents.

11. Successors and Assigns. Whenever used herein, the terms "Assignor", "Assignee", and "Lender" shall include the parties hereto and their respective successors and assigns, and the provisions hereof shall be binding upon and inure to the benefit of all such persons.

12. Choice of Law. This Agreement has been delivered in the State of New York and shall be governed and interpreted under the laws of the State of New York.

13. Entire Agreement. This Agreement contains the entire agreement between and among the parties hereto, and no promise, inducement, agreement, statement or consideration not herein expressed has been made between or among the parties with respect to the assumption of the Loan.

14. Counterparts. This Agreement may be executed in counterparts, each of which when fully executed shall be an original, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

15. No Novation. Nothing herein or in any of the other Loan Modification Documents shall constitute a novation of any of the Debt or Obligations.

16. U.S. Bank as Trustee. Notwithstanding anything to the contrary herein, it is understood and agreed that this Agreement has been executed by U.S. Bank National Association ("**U.S. Bank**"), not in its individual capacity, but solely as Trustee (the "**Trustee**") of the Marathon Real Estate CDO 2006-1 Grantor Trust, Series XX (the "**Trust**") under the Series Trust Agreement, dated as of December 14, 2010 and the Master Trust Agreement, dated as of May 18, 2006, between Marathon Real Estate CDO 2006-1, Ltd. and the Trustee and (i) each undertaking, agreement, covenant, representation and warranty contained herein by Lender is not made and intended as a personal undertaking, agreement, covenant, representation or warranty of U.S. Bank, but is made and intended solely for the purpose of binding only the Trust (and recourse to the Trust shall be limited to the property of the Trust) and (ii) in no circumstances shall U.S. Bank be personally liable for the payment of any amounts hereunder or be liable for any breach or failure to perform any undertaking, agreement, covenant, representation or warranty hereunder. So long as the Trustee is the Lender, the Loan Agreement and the other Loan Documents (as amended, and/or restated by the Loan Modification Documents), shall be deemed to be amended to include the foregoing sentence, mutatis mutandis, as if set forth in full therein.

17. No Waiver. Nothing herein shall be construed to waive Lender's rights or remedies as to any uncured defaults under the Loan Agreement or the other Loan Documents.

18. Release. Assignor unconditionally and irrevocably releases and forever discharges Lender, and its predecessors, successors, assigns, agents, investment managers, collateral managers, directors, officers, employees, and attorneys, and each current or substitute trustee under the Leasehold Deed of Trust (collectively, the "**Indemnitees**") from all Claims, as defined below, and agrees to indemnify Indemnitees, and hold them harmless from any and all claims, losses, causes of action, costs and expenses of every kind or character in connection with the Claims. As used in this Agreement, the term "Claims" shall mean any and all possible claims, demands, actions, costs, expenses and liabilities whatsoever, known or unknown, at law or in equity, originating in whole or in part, on or before the date of this Agreement, which Assignor or its partners, members, officers, agents or employees, may now or hereafter have against the Indemnitees, if any and irrespective of whether any such Claims arise out of contract, tort, violation of laws, or regulations, or otherwise in connection with any of the Loan Documents, including, without limitation, any contracting for, charging, taking, reserving, collecting or receiving interest in excess of the highest lawful rate applicable thereto and any loss, cost or damage, of any kind or character, arising out of or in any way connected with or in any way resulting from the acts, actions or omissions of Indemnitees, any charging, collecting or contracting for prepayment premiums, transfer fees, or assumption fees, any breach of fiduciary duty, breach of any duty of fair dealing, breach of confidence, breach of funding commitment, undue influence, duress, economic coercion, violation of any federal or state securities or Blue Sky laws or regulations, conflict of interest, negligence, bad faith, malpractice, violations of the

Racketeer Influenced and Corrupt Organizations Act, intentional or negligent infliction of mental distress, tortious interference with contractual relations, tortious interference with corporate governance or prospective business advantage, breach of contract, deceptive trade practices, libel, slander, conspiracy or any claim for wrongfully accelerating the Note or wrongfully attempting to foreclose on any collateral relating to the Note, but in each case only to the extent permitted by applicable law. Assignor agrees that Lender has no fiduciary or similar obligation to Assignor and that their relationship is strictly that of creditor and debtor. This release is accepted by Lender pursuant to this Agreement and shall not be construed as an admission of liability on the part of either. Assignor hereby represents and warrants that it is the current legal and beneficial owner of all Claims, if any, released hereby and have not assigned, pledged or contracted to assign or pledge any such Claim to any other person. Assignee acknowledges the foregoing release and that the Claims has not been assigned, pledged, or been contracted to be assigned or pledged to it.

19. Representations/Warranties. Assignor and Assignee each hereby warrant to Lender that (i) subject to the modifications contained herein, the provisions of the Loan Documents are in full force and effect and are enforceable against Assignor and Assignee, as applicable, in accordance with their respective terms, (ii) all information provided and representations made to Lender for purposes of obtaining this Agreement are true and correct in all material respects, and (iii) there have been no material adverse changes in such information and representations since the date such were provided or made to Lender.

20. Ratification/No Novation. The parties agree that (i) neither this Agreement, nor any of the other Loan Modification Documents, shall constitute a novation of the Debt, (ii) the terms and provisions of the Amended and Restated Note, the Original Leasehold Deed of Trust, the Original Assignment of Leases, the Loan Agreement, and the other Loan Documents shall remain valid and in full force and effect, subject to the modifications contained herein and in the other Loan Modification Documents, and (iii) each and every term and condition of the Loan Documents, excluding that certain Guaranty dated as of August 11, 2011 made by Original Guarantor in favor of Lender, are hereby ratified, confirmed and renewed in all respects as revised by the Loan Modification Documents. In the event of any inconsistency between the Loan Modification Documents and any other Loan Document, the provisions of the Loan Modification Documents shall control. Nothing herein or contained in the Loan Modification Documents shall be deemed to release or discharge Assignors or Original Guarantor from any of its obligations or liabilities under the Loan Agreement or any other Loan Document arising on or before the date the Transfer becomes effective and the conditions precedent set forth in Section 5 above are satisfied (or waived in writing by Lender), and nothing in this Agreement or in the Loan Modification Documents shall affect or impair any rights, remedies or powers which Lender may have under the Loan Agreement or any other Loan Document.

21. Fair Consideration. Assignor hereby acknowledges that its waiver and release of Claims is material inducement for Lender entering into this Agreement and the other Loan Modification Documents. Additionally, Assignor and Assignee hereby

acknowledge that adequate and valuable consideration has been given on behalf of Lender, including Lender's agreement to enter this Agreement and the other Loan Modification Documents, the receipt and sufficiency of which are hereby acknowledged.

[Signature pages follow.]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and sealed as of the day and year first above written.

ASSIGNOR:

PLUM RIDGE CARE COMMUNITY, LLC, an
Oregon limited liability company

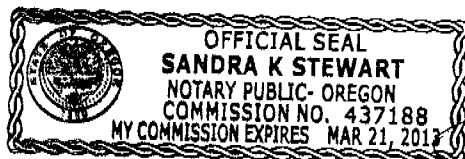
By: Willamette Property Holdings, LLC, an
Oregon limited liability company, its Sole
Member

By: [Signature]
Name: Robert L. Dunn
Its: WPHM LLC

ACKNOWLEDGMENT

STATE OF Oregon)
) SS
COUNTY OF Deschutes)

On this 14th day of March, 2012, personally appeared Robert L. Dunn, who being duly sworn did say that he is the Board Member of WILLAMETTE PROPERTY HOLDINGS, LLC, an Oregon limited liability company, the sole member of PLUM RIDGE CARE COMMUNITY, LLC an Oregon limited liability company and that said instrument was signed on behalf of said limited liability companies by authority of its members; and he acknowledged said instrument to be the voluntary act and deed of said limited liability company.



Before me:

[Signature]
Notary Public for the State of Oregon

[Signatures continue on following page]

SKY LAKES SNF, LLC,
a California limited liability company

By: [Signature]
Name: Richard Herschfeld
Its: Ms. Member

STATE OF)
) SS
COUNTY OF)

Notary Public for the State of _____

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ACKNOWLEDGMENT

State of California
County of Los Angeles

On March 14, 2012 before me, Mia Loewinger, Notary Public
(insert name and title of the officer)

personally appeared Richard Herschenfeld,
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.

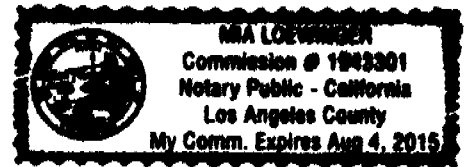
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature



(Seal)

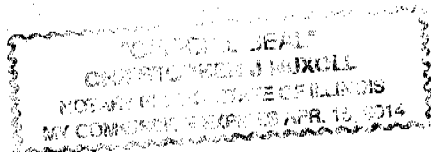


U.S. BANK NATIONAL ASSOCIATION

By: _____
Name: ADAM Jacobs
Its: VICE PRESIDENT

STATE OF ILLINOIS)
COUNTY OF COOK) SS

Before me: **CHRISTOPHER J. NUXOLL**



Notary Public for the State of ILLINOIS

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ORIGINAL GUARANTOR:

WILLAMETTE PROPERTY HOLDINGS, LLC,
an Oregon limited liability company

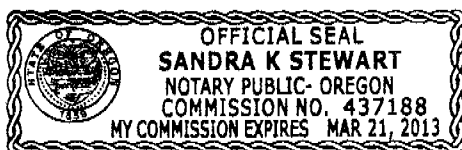
By: [Signature]
Name: Robert L. Dunn
Its: Willamette Property Holdings, LLC

ACKNOWLEDGMENT

STATE OF Oregon,
COUNTY OF Deschutes SS

On this 14th day of March, 2012, personally appeared Robert L. Dunn, who being duly sworn did say that he is the Board Member of WILLAMETTE PROPERTY HOLDINGS, LLC, an Oregon limited liability company, and that said instrument was signed on behalf of said limited liability company by authority of its members; and he acknowledged said instrument to be the voluntary act and deed of said limited liability company.

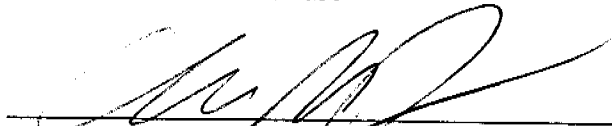
Before me:



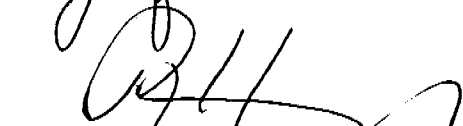
[Signature]
Notary Public for the State of Oregon

[Signatures continue on following page]

NEW GUARANTORS:



William M. Bryan

Jennifer Bryan

Richard S. Herschenfeld

ACKNOWLEDGMENT


State of California
County of Los Angeles)

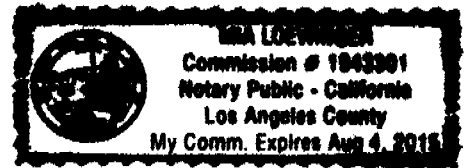
On March 14, 2012 before me, Mia Loewinger, Notary Public
(insert name and title of the officer)

personally appeared Richard Herschenfeld
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.

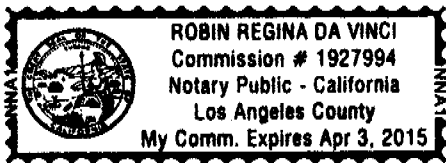
Signature  (Seal)



ACKNOWLEDGMENT

STATE OF *California*)
COUNTY OF *Los Angeles*) SS

On this 16th day of March, 2012, before me, the undersigned notary public appeared JENNIFER BRYAN, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that she signed and delivered the said instrument as her own free and voluntary act, for the uses and purposes therein set forth and in the capacity so stated.



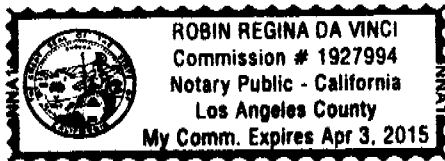
Before me:

Robin Regina Da Vinci
Notary Public for the State of
4/3/15

ACKNOWLEDGMENT

STATE OF *California*)
) SS
COUNTY OF *Los Angeles*)

On this *16th* day of *March*, 2012, before me, the undersigned notary public appeared WILLIAM M. BRYAN, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act, for the uses and purposes therein set forth and in the capacity so stated.



Before me:

Robin Regina Da Vinci
Notary Public for the State of *California*
4/3/15

EXHIBIT A

Legal Description

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

PARCEL I:

A TRACT OF LAND SITUATED IN THE SW ¼ OF THE NE ¼ OF SECTION 20, TOWNSHIP 38 SOUTH, RANGE 9 EAST, OF THE WILLAMETTE MERIDIAN, KLAMATH COUNTY, OREGON, BEING A PORTION OF BLOCKS 6,7 AND 8 AND VACATED HILLTOP STREET AND VACATED FOOTHILL BOULEVARD, MCLOUGHLIN HEIGHTS SUBDIVISION, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE COUNTY CLERK OF KLAMATH COUNTY, OREGON, MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHEAST CORNER OF MCLOUGHLIN HEIGHTS; THENCE SOUTH 0°46' 00" WEST, ALONG THE EAST BOUNDARY OF MCLOUGHLIN HEIGHTS, 100.0 FEET TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE SOUTH 0°46' 00" WEST, ALONG THE EAST BOUNDARY OF MCLOUGHLIN HEIGHTS 572.30 FEET TO THE NORTH BOUNDARY OF VACATED FOOTHILL BOULEVARD; THENCE 40.57 FEET ALONG THE ARC OF A 20.00 FOOT RADIUS CURVE TO THE RIGHT (THE LONG CHORD OF WHICH BEARS SOUTH 58°53' WEST, 33.97 FEET); THENCE NORTH 63°00' 00" WEST, ALONG THE NORTH BOUNDARY OF FOOTHILL BOULEVARD, 104.35 FEET; THENCE 482.81 FEET ALONG THE ARC OF A 774.83 FOOT RADIUS CURVE TO THE LEFT (THE LONG CHORD OF WHICH BEARS NORTH 80°51' 03" WEST, 475.03 FEET); THENCE LEAVING SAID ROAD BOUNDARY NORTH 20°39' 40" EAST, 504.11 FEET; THENCE SOUTH 89°21' 00" EAST, 420.87 FEET TO THE TRUE POINT OF BEGINNING. TOGETHER WITH THE NORTHERLY ONE-HALF OF VACATED FOOTHILL BOULEVARD ABUTTING THE SOUTHERLY BOUNDARY OF THE ABOVE DESCRIBED PARCEL;

ALSO INCLUDING LOTS 8,9,10,11,12,13,14 AND 15 OF BLOCK 6 OF MCLOUGHLIN HEIGHTS SUBDIVISION, TOGETHER WITH THE SOUTHERLY ONE-HALF OF VACATED FOOTHILL BOULEVARD ABUTTING THE NORTHERLY BOUNDARY OF SAID LOTS 8,9,10,11,12,13,14 AND 15 OF BLOCK 6;

EXCEPTING THEREFROM LOTS 8,9,10,11,12,13,14 AND 15 OF BLOCK 6 OF MCLOUGHLIN HEIGHTS SUBDIVISION TOGETHER WITH THE SOUTHERLY ONE-HALF OF VACATED FOOTHILL BOULEVARD ABUTTING THE NORTHERLY BOUNDARY OF SAID LOTS 8,9,10,11,12,13,14 AND 15 OF BLOCK 6;

ALSO EXCEPTING THEREFROM THE FOLLOWING DESCRIBED PARCEL: COMMENCING AT THE NE 1/16 CORNER OF SECTION 20, TOWNSHIP 38 SOUTH, RANGE 9 EAST OF THE WILLAMETTE MERIDIAN, KLAMATH COUNTY, OREGON, BEING THE NORTHEAST CORNER OF MCLOUGHLIN HEIGHTS

SUBDIVISION; THENCE ALONG THE EAST BOUNDARY OF SAID MCLOUGHLIN HEIGHTS AND THE EAST LINE OF THE SW 1/4 NE 1/4 OF SAID SECTION 20 SOUTH 0°46'00" WEST 100.00 FEET TO THE NORTHEAST CORNER OF THAT PARCEL DESCRIBED AS PARCEL 1 IN DEED VOLUME M91, PAGE 13596, RECORDS OF KLAMATH COUNTY, OREGON; THENCE ALONG THE NORTHERLY BOUNDARY OF SAID PARCEL NORTH 89°21'00" WEST 420.87 FEET TO THE NORTHWEST CORNER OF SAID PARCEL; THENCE SOUTH 20°39'40" WEST 504.11 FEET TO THE SOUTHWEST CORNER OF THAT PARCEL DESCRIBED IN DEED VOLUME M75, PAGE 8321, RECORDS OF KLAMATH COUNTY, OREGON AND THE TRUE POINT OF BEGINNING FOR THIS DESCRIPTION; THENCE SOUTH 08°42'06" EAST 25.00 FEET TO THE CENTERLINE OF VACATED FOOTHILL BOULEVARD; THENCE FOLLOWING SAID CENTERLINE ALONG THE ARC OF A 749.83 FOOT RADIUS NON-TANGENT CURVE TO THE RIGHT 82.06 FEET, THE LONG CHORD OF WHICH BEARS NORTH 84°26'01" EAST 82.02 FEET; THENCE LEAVING SAID CENTERLINE NORTH 09°10'20" WEST 12.82 FEET; THENCE SOUTH 80°17'48" WEST 17.62 FEET; THENCE NORTH 09°32'02" WEST 17.40 FEET; THENCE SOUTH 80°54'52" WEST 63.92 FEET TO THE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM THE FOLLOWING DESCRIBED PORTION OF PARCEL 1 OF DEED VOLUME M91, PAGE 13596, RECORDS OF KLAMATH COUNTY, OREGON:

BEGINNING AT A POINT ON THE EAST BOUNDARY OF MCLOUGHLIN HEIGHTS WHICH BEARS S. 0°46' W. A DISTANCE OF 100.0 FEET FROM THE NORTHEAST CORNER THEREOF, SAID POINT BEING THE NORTHEAST CORNER OF SAID PARCEL 1 OF DEED VOLUME M91, PAGE 13596; THENCE N. 89°21'00"W. ALONG THE NORTH LINE OF SAID PARCEL 420.87 FEET TO THE NORTHWEST CORNER THEREOF; THENCE S. 20°39' 40" W. ALONG THE WESTERLY LINE OF SAID PARCEL 173.00 FEET TO A POINT; THENCE ALONG THE SOUTHERLY LINE OF SAID PARCEL S. 86°54' 35" E. 274.87 FEET; THENCE LEAVING SAID SOUTHERLY LINE NORTH 15°01'01" EAST 28.90 FEET; THENCE NORTH 72°20'55" EAST 13.09 FEET; THENCE SOUTH 69°41'02 " EAST 99.96 FEET; THENCE SOUTH 24°30'18" EAST 3.74 FEET TO THE SOUTHERLY LINE OF SAID PARCEL 1; THENCE SOUTH 86°54'35" EAST TO A POINT ON THE EAST LINE OF SAID PARCEL; THENCE N. 0°46'00" E. ALONG SAID EAST LINE A DISTANCE OF 183.00 FEET TO THE POINT OF BEGINNING.

PARCEL II:

ACCESS AS DISCLOSED IN RECIPROCAL ACCESS EASEMENT, RECORDED JUNE 8, 2001 IN M-01 ON PAGE 27242, RECORDS OF KLAMATH COUNTY, OREGON.

APN: R752064