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Klamath County, Oregon

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RECORDING COVER SHEET

After recording return to:

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Conner & Winters, LLP
211 N. Robinson, Suite 1700
Oklahoma City, OK 73102

All tax statements should be sent to:

No change

1. Document Title – by ORS 205.234(a): First Amendment to Deed of Trust,
Assignment of Rents and Security Agreement

2. Grantor/Direct Party – by ORS 205.125(1)(b) and ORS 205.160: Sky Lakes SNF,
LLC, a California limited liability company

3. Grantee/Indirect Party – by ORS 205(1)(a) and ORS 205.160: BOKF, NA dba Bank
of Oklahoma

**FIRST AMENDMENT TO DEED OF TRUST,
ASSIGNMENT OF RENTS AND SECURITY AGREEMENT**

This FIRST AMENDMENT TO DEED OF TRUST, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT (the "First Amendment") is executed effective the 28th day of August 2015, by and between SKY LAKES SNF, LLC, a California limited liability company (the "Grantor"), and BOKF, NA dba BANK OF OKLAHOMA (the "Beneficiary").

WITNESSETH:

WHEREAS, the Grantor has previously executed a certain Deed of Trust, Assignment of Rents and Security Agreement in favor of the Beneficiary dated September 11, 2014 and recorded as Document No. 2014-009483 in the real estate records of Klamath County, Oregon, covering the real property described at Exhibit "A" hereto and all improvements now or hereafter located or constructed thereon (the "Original Deed of Trust"); and

WHEREAS, the Original Deed of Trust secures certain indebtedness as described therein including, but not limited to a certain promissory note defined in the Original Deed of Trust as the Note; and

WHEREAS, the Note has been amended and restated as evidenced by a certain Amended and Restated Promissory Note of even date herewith, as more particularly described below (the "New Note"); and

WHEREAS, Grantor and Beneficiary desire to amend the Original Deed of Trust in accordance with the terms hereof;

NOW THEREFORE, in consideration of the recitals and other good and valuable consideration, the receipt of which is hereby acknowledged, it is agreed as follows:

1. Defined Terms. Except as otherwise defined herein, all terms defined in the Original Deed of Trust will have the same meaning herein as therein.
2. Ratification. The Grantor hereby ratifies, approves and agrees to be bound by all of the terms, covenants and conditions contained in the Original Deed of Trust subject to the changes made herein.
3. Amendment to Original Deed of Trust. The Original Deed of Trust is hereby amended to provide that in addition to the other obligations secured thereby, the Original Deed of Trust will hereafter additionally secure payment of the New Note, all renewals and modifications thereof, all interest thereon, and all expenses of collection thereof including attorneys' fees and expenses. In connection therewith, Section A on page 1 of the Original Deed of Trust commencing "A. Beneficiary has made a loan ..." is hereby amended and restated in its entirety as follows:

"A. Beneficiary has made a loan to Grantor in the maximum principal amount of Six Million Four Hundred Six Thousand Seven Hundred Sixty-Four and 77/100 Dollars (\$6,406,764.77) (the "Loan") pursuant to the terms of that certain Loan

Agreement dated as of September 11, 2014, as amended by that certain First Modification and Amendment to Loan Documents dated effective May 1, 2015, and as further amended by that certain Second Modification and Amendment to Loan Agreement dated effective August 28, 2015, between Grantor and Beneficiary (as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, the "Loan Agreement"), and evidenced by that certain Amended and Restated Promissory Note in the principal face amount of \$6,406,764.77 dated as of August 28, 2015 made by Grantor to Beneficiary (such note, together with all extensions, renewals, replacements, increases, restatements or modifications thereof, being hereinafter referred to as the "Note"). The Loan has a maturity date of September 11, 2019. Capitalized terms used herein without definition shall have the meanings ascribed to such terms in the Loan Agreement."

4. **Definitional References.** All references in the Original Deed of Trust to the term "Loan" or the amount thereof will hereafter refer to the Loan and the amount thereof as redefined in Section 3 above. All references in the Original Deed of Trust to the term "Note" or the amount thereof will hereafter refer to the Note and the principal face amount thereof as redefined in Section 3 above.
5. **Full Force and Effect.** Except to the extent amended hereby, all of the terms, covenants and conditions contained in the Original Deed of Trust and all documents executed in connection therewith, and the liens created thereby will remain in full force and effect, unabated and uninterrupted.

IN WITNESS WHEREOF, this First Amendment is executed effective the date first above written.

SKY LAKES SNF, LLC, a California limited liability company

By: _____

WILLIAM M. BRYAN, Manager

(the "Grantor")

ACKNOWLEDGMENT

STATE OF _____)

_____)

COUNTY OF _____)

SS:

The foregoing instrument was acknowledged before me this ____ day of _____ 2015, by WILLIAM M. BRYAN, Manager of SKY LAKES SNF, LLC, a California limited liability company.

(SEAL)

Notary Public

Please see attachment.

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
)SS
COUNTY OF LOS ANGELES)

On August 27, 2015, before me, Tania Trinidad Rodriguez, Notary Public, personally appeared William M. Bryan 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 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.



Tania I. Rodriguez
Signature of Notary Public

(Notary Seal)

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 1/4 OF THE NE 1/4 OF SECTION 20, TOWNSHIP 38 SOUTH, RANGE 9 EAST, WILLAMETTE MERIDIAN, KLAMATH COUNTY, OREGON, BEING A PORTION OF BLOCKS 7 AND 8 AND VACATED HILLTOP STREET, MCLOUGHLIN HEIGHTS SUBDIVISION, 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 FOOTHILLS 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 FOOTHILLS 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 SOUTH 84°26'01" WEST 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 SOUTH 0°46'00" WEST 100.00 FEET FROM THE NORTHEAST CORNER THEREOF, SAID POINT BEING THE NORTHEAST CORNER OF SAID PARCEL 1 OF DEED VOLUME M91, PAGE 13596; THENCE NORTH 89°21'00" WEST ALONG THE NORTH LINE OF SAID PARCEL 420.87 FEET TO THE NORTHWEST CORNER THEREOF; THENCE SOUTH 20°39'40" WEST ALONG THE WESTERLY LINE OF SAID PARCEL 173.00 FEET TO A POINT; THENCE ALONG THE SOUTHERLY LINE OF SAID PARCEL SOUTH 86°54'35" EAST 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 NORTH 0°46'00" EAST ALONG SAID EAST LINE 183.00 FEET TO THE POINT OF BEGINNING.

PARCEL II:

A RECIPROCAL ACCESS EASEMENT OVER THE FOLLOWING DESCRIBED PROPERTY:

A STRIP OF LAND 30 FEET IN WIDTH SITUATED IN THE SW 1/4 OF THE NE 1/4 OF SECTION 20, TOWNSHIP 38 SOUTH, RANGE 9 EAST OF THE WILLAMETTE MERIDIAN, KLAMATH COUNTY, OREGON, BEING 15 FEET, MEASURED AT RIGHT ANGLES, ON BOTH SIDES OF THE FOLLOWING DESCRIBED CENTERLINE:

BEGINNING AT A POINT WHICH BEARS S31°11'02"E 28.00 FEET FROM THE NE 1/16 CORNER OF SAID SECTION 20, (ALSO BEING THE NORTHEAST CORNER OF MCLOUGHLIN HEIGHTS SUBDIVISION) THENCE S10°16'15"E 333.71 FEET; THENCE 203.24 FEET ALONG THE ARC OF A 1230.78 FOOT RADIUS CURVE TO THE LEFT, SAID CURVE HAVING A DELTA ANGLE OF 9°27'40" AND A LONG CHORD WHICH BEARS S5°32'25"W 203.01 FEET; THENCE 14.04 FEET ALONG THE ARC OF A 200.00 FOOT RADIUS CURVE TO THE LEFT, SAID CURVE HAVING A DELTA ANGLE OF 4°01'21" AND A LONG CHORD WHICH BEARS S1°12'06"E 14.04 FEET; THENCE S3°12'47"E 44.14 FEET; THENCE 14.15 FEET ALONG THE ARC OF A 200.00 FOOT RADIUS CURVE TO THE RIGHT, SAID CURVE HAVING A DELTA ANGLE OF 4°03'10" AND A LONG CHORD WHICH BEARS S1°11'12"E 14.14 FEET; THENCE 68.76 FEET ALONG THE ARC OF A 1141.25 FOOT RADIUS CURVE TO THE RIGHT, SAID CURVE HAVING A DELTA ANGLE OF 3°27'08" AND A LONG CHORD WHICH BEARS S2°33'57"W 68.75 FEET; THENCE 74.74 FEET ALONG THE ARC OF A 37.08 FOOT RADIUS CURVE TO THE RIGHT, SAID SURVE HAVING A DELTA ANGLE OF 115°28'49" AND A LONG CHORD WHICH BEARS S62°01'55"W 62.71 FEET; THENCE 134.31 FEET ALONG THE ARC OF A 781.75 FOOT RADIUS CURVE TO THE LEFT, SAID CURVE HAVING A DELTA ANGLE OF 9°50'39" AND A LONG CHORD WHICH BEARS N65°09'00" W 134.15 FEET; THENCE 314.28 FEET ALONG THE ARC OF A 600.00 FOOT RADIUS CURVE TO THE LEFT, SAID CURVE HAVING A DELTA ANGLE OF 30°00'43" AND A LONG CHORD WHICH BEARS N85°04'41"W 310.70 FEET, TO A POINT WHICH BEARS S40°40'12"W 845.96 FEET FROM SAID NE 1/16 CORNER OF SECTION 20; THENCE WESTERLY AS PRESENTLY CONSTRUCTED TO THE EASTERLY RIGHT OF WAY LINE OF DAGGETT AVENUE; THE SIDE LINES OF SAID STRIP TO BE LENGTHENED OR SHORTENED TO TERMINATE AT THE EAST LINE OF SAID SW 1/4 NE 1/4 OF SECTION 20 AND AT SAID EASTERLY RIGHT OF WAY OF DAGGETT AVENUE.