

2016-007875

Klamath County, Oregon

07/26/2016 11:23:58 AM

Fee: \$97.00



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WHEN RECORDED MAIL TO:

Washington Federal
Bend Bluff Commercial Lending
572 SE Bluff Drive, Suite 110
Bend, OR 97702
Attn: Stacy M. Hart

Loan #: 62760720508

MASTER MODIFICATION OF DEEDS OF TRUST

THIS MASTER MODIFICATION OF DEEDS OF TRUST ("Modification") is effective this 15th day of June, 2016 by and between Washington Federal, a National Banking Association ("**Lender**") and Pahlisch Homes, Inc., an Oregon corporation, Pahlisch Homes at McCall Landing Limited Partnership, an Oregon limited partnership, Pahlisch Homes at Parkland Limited Partnership, an Oregon limited partnership, Pahlisch Homes at Bella Vista Heights Limited Partnership, an Oregon limited partnership, and Pahlisch Homes at Bailey Ridge Limited Partnership, an Oregon limited partnership (each, a "**Grantor**").

RECITALS

A. On or about the dates set forth on the attached Exhibit A, incorporated herein by reference (the "**Original Loan Schedule**"), for valuable consideration, each Grantor named on the Original Loan Schedule, executed and delivered to Lender a separate promissory note described on the Original Loan Schedule (each, an "**Original Note**") in the original principal amount described in the Original Loan Schedule, in connection with a Construction Loan Agreement dated the same date as the Original Note to which it related between such Grantor and Lender (each, an "**Original Loan Agreement**"). On the same date described in the Original Loan Schedule, and in connection with each such Original Note, each Grantor executed and delivered to Lender a Deed of Trust (each, a "**Deed of Trust**") recorded in the county in Oregon described in the Original Loan Schedule, encumbering the real property legally described therein (the "**Property**").

MASTER MODIFICATION OF DEEDS OF TRUST - 1

G:\Commercial Real Estate\LEVEL1\1-ARCHIVE\Oregon CRE\Commercial Real Estate\Builder Master File\Pahlisch Homes Inc\Spec Submissions\AGL\2016\RLOC Documents\Final Documents\Modification of Deed of Trust OR.doc 6/28/2016

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accommodation only. No liability
is accepted for the condition of
title or for the validity, sufficiency,
or effect of this document.

B. Concurrently with the execution of this Modification, each Grantor, Lender and certain borrowers affiliated with each Grantor (the “**Affiliated Borrowers**”) are executing a First Amended, Restated and Consolidated Master Loan Agreement (the “**Restated Loan Agreement**”) which amends and restates each Original Loan Agreement in its entirety and consolidates it with each other Original Loan Agreement, and many other loan agreements, and each Grantor and the Affiliated Borrowers are executing and delivering to Lender a First Amended, Restated and Consolidated Master Promissory Note (the “**Restated Note**”) which amends and restates each Original Note in its entirety and consolidates it with other promissory notes from each Grantor and the Affiliated Borrowers to Lender.

C. The parties desire to amend each Deed of Trust in connection with the Restated Loan Agreement and Restated Note.

AGREEMENT

In consideration of the mutual covenants and promises set forth below, the parties hereby agree as follows:

1. The first paragraph of each Deed of Trust entitled “LINE OF CREDIT DEED OF TRUST” is hereby deleted in its entirety and replaced by the following:

LINE OF CREDIT INSTRUMENT

The maximum principal amount to be advanced pursuant to the credit agreement (Note) is \$25,000,000.00. The maturity date of the credit agreement (exclusive of any extension or renewal options) is July 1, 2017. The maximum principal amount to be advanced pursuant to the credit agreement may be exceeded by advances to complete construction pursuant to ORS 86.155(2) (c).

2. The paragraph in each Deed of Trust referencing what such Deed of Trust is given to secure is hereby deleted in its entirety and replaced by the following:

THIS DEED OF TRUST, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS GIVEN TO SECURE (1) PAYMENT OF THE INDEBTEDNESS AND (2) PERFORMANCE OF ANY AND ALL OBLIGATIONS UNDER THE NOTE, THE RELATED DOCUMENTS, AND THIS DEED OF TRUST. THIS DEED OF TRUST, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS ALSO GIVEN TO SECURE ANY AND ALL OBLIGATIONS OF GRANTOR UNDER THE LOAN AGREEMENT, DEFINED BELOW. ANY EVENT OF DEFAULT UNDER THE LOAN AGREEMENT, OR ANY OF THE RELATED DOCUMENTS REFERRED TO THEREIN, SHALL ALSO BE AN EVENT OF DEFAULT UNDER THIS DEED OF TRUST. THE NOTE AND THIS DEED OF TRUST ARE GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

3. The following paragraphs are hereby added to each Deed of Trust as if set forth originally therein:

Collateral Pool. The Property secured by this Deed of Trust is part of a collateral pool securing the Note and Related Documents. Payment and performance of the Indebtedness may be secured by multiple deeds of trust covering the Property and other properties constituting the collateral pool from time to time. Grantor acknowledges and agrees that the partial or full reconveyance of this Deed of Trust shall not in and of itself satisfy or extinguish the Indebtedness secured by this Deed of Trust of the other deeds of trust. The Indebtedness and the indebtedness and obligations secured by the other deeds of trust are intended to be cross collateralized and cross defaulted.

Partial Releases. Provided that no default has occurred and is continuing under this Deed of Trust, the Note, or the Loan Agreement and that no event which, with notice or lapse of time, would constitute a default under this Deed of Trust, the Note, or the Loan Agreement has occurred, Grantor may obtain the release of individual Units (as defined in the Loan Agreement) upon payment of the Partial Release Price (as defined in the Loan Agreement) for that Unit by Grantor to Lender. Upon payment by Grantor of the appropriate Partial Release Price, Trustee will partially reconvey such Unit pursuant to applicable law.

4. The following is hereby added as an Event of Default to each Deed of Trust:

Loan Agreement Default. Any default occurs under the terms of the Loan Agreement or under any of the Related Documents.

5. The following definitions in each Deed of Trust are hereby deleted and replaced with the following:

Borrower. The word "Borrower" means collectively, Pahlisch Homes, Inc., an Oregon corporation, Pahlisch Homes at McCall Landing Limited Partnership, an Oregon limited partnership, Pahlisch Homes at Parkland Limited Partnership, an Oregon limited partnership, Pahlisch Homes at Bella Vista Heights Limited Partnership, an Oregon limited partnership, Pahlisch Homes at Bailey Ridge Limited Partnership, an Oregon limited partnership, Pahlisch Homes at Arden Village, LP, an Oregon limited partnership, Pahlisch Homes at Emerald Valley Limited Partnership, an Oregon limited partnership, Pahlisch Homes at Foothills View Limited Partnership, an Oregon limited partnership, Pahlisch Homes at Ochoco Pointe Limited Partnership, an Oregon limited partnership, Pahlisch Homes at Pheasant Run Limited Partnership, an Oregon limited partnership, Pahlisch Homes at Sky Ridge Limited Partnership, an Oregon limited partnership, Pahlisch Homes at Triple Ridge, LLC, an Oregon limited liability company, and Pahlisch Homes at Reserve Golf Fairway, LLC, an Oregon limited liability company.

Note. The word "Note" means that certain First Amended, Restated, and Consolidated Master Promissory Note dated as of June 15, 2016, in the original principal amount of \$25,000,000 from Borrower to Lender, which amended and restated the original promissory note from Grantor to Lender dated the date of the unamended Deed of Trust in amount described in the unamended Deed of Trust, together with all renewals of, extensions of, modifications of, refinancials of,

consolidations of, restatements of, and substitutions for such note. The maturity date of the Note is July 1, 2017. NOTICE TO GRANTOR: THE NOTE CONTAINS A VARIABLE INTEREST RATE.

6. The following definition is hereby added to the Deed of Trust:

Loan Agreement. The word "Loan Agreement" means that certain First Amended, Restated, and Consolidated Master Loan Agreement between Borrower and Lender dated June 15, 2016, which amended and restated that certain Construction Loan Agreement dated the date of the unamended Deed of Trust between Grantor and Lender, together with all renewals of, extensions of, modifications of, refinancials of, consolidations of, restatements of, and substitutions for such loan agreement.

7. All references to the "Note" in each Deed of Trust shall be amended to refer to the Restated Note.

8. Except as to the change set forth above, the terms of each Deed of Trust remain unchanged and in full force and effect. Nothing in this Modification shall constitute a satisfaction of any Original Note or any other Related Document. Each Grantor agrees that such Grantor's liabilities under the terms of each Original Note, as restated by the Restated Note, and the Related Documents remains unchanged and in full force and effect.

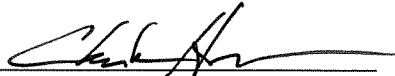
9. Each Grantor shall pay all costs incurred by Lender in processing this Modification including but not limited to reasonable attorneys' fees and costs, title endorsement, and recording fees. Each Grantor shall execute upon request such additional instruments and provide such further assurances as Lender may consider reasonably desirable or necessary to evidence or carry out the parties' intent under this Modification and to complete, perfect, continue, and preserve the obligations under the Loan Documents or this Modification.

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

[signature pages to follow]

GRANTOR:

PAHLISCH HOMES, INC., an Oregon corporation

By: 
Charles J. Hammagren, Treasurer

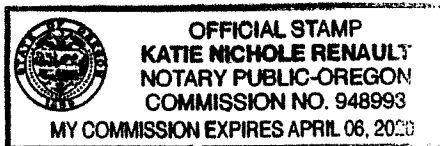
LENDER:

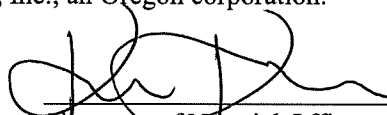
WASHINGTON FEDERAL, a National Banking Association

By: _____
Stacy M. Hart, Vice President

STATE OF OREGON)
) ss.
County of Deschutes)

This record was acknowledged before me on July 19, 2016, by Charles J. Hammagren as Treasurer of Pahlisch Homes, Inc., an Oregon corporation.




Signature of Notarial Officer
Stamp (if required):
Title of Office: Notary Public
My Commission Expires: 4.6.20

STATE OF OREGON)
) ss.
County of Deschutes)

This record was acknowledged before me on _____, 2016, by Stacy M. Hart as Vice President of Washington Federal, a National Banking Association.

Signature of Notarial Officer
Stamp (if required):
Title of Office: Notary Public
My Commission Expires: _____

GRANTOR:

PAHLISCH HOMES, INC., an Oregon corporation

By: _____
Charles J. Hammagren, Treasurer

LENDER:

WASHINGTON FEDERAL, a National Banking Association

By: Stacy M. Hart
Stacy M. Hart, Vice President

STATE OF OREGON)
) ss.
County of Deschutes)

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Signature of Notarial Officer

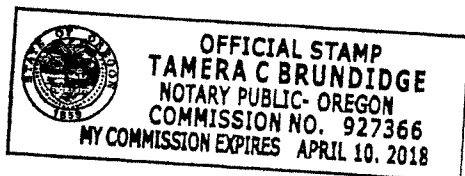
Stamp (if required):

Title of Office: Notary Public

My Commission Expires: _____

STATE OF OREGON)
) ss.
County of ~~Deschutes~~ Crook)

This record was acknowledged before me on July 22, 2016, by Stacy M. Hart as Vice President of Washington Federal, a National Banking Association.



Tamera C Brundidge
Signature of Notarial Officer
Stamp (if required):
Title of Office: Notary Public
My Commission Expires: April 10, 2018

GRANTOR:

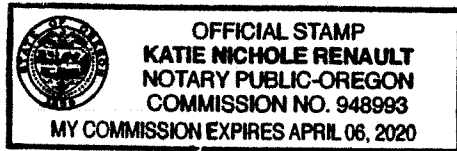
**PAHLISCH HOMES AT BAILEY RIDGE
LIMITED PARTNERSHIP**, an Oregon limited
partnership

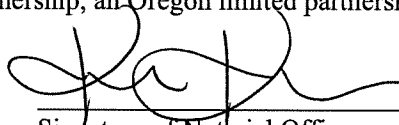
By: Pahlisch Homes, Inc.,
an Oregon corporation, General Partner

By: 
Charles J. Hammagren, Treasurer

STATE OF OREGON)
) ss.
County of Deschutes)

This record was acknowledged before me on July 19, 2016, by Charles J. Hammagren as Treasurer of Pahlisch Homes, Inc., an Oregon corporation, which is the General Partner of Pahlisch Homes at Bailey Ridge Limited Partnership, an Oregon limited partnership.





Signature of Notarial Officer

Stamp (if required):


Title of Office: Notary Public

My Commission Expires: _____

GRANTOR:

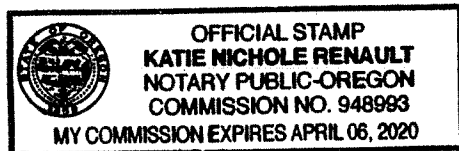
**PAHLISCH HOMES AT BELLA VISTA
HEIGHTS LIMITED PARTNERSHIP,**
an Oregon limited partnership

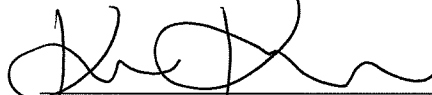
By: Pahlisch Homes, Inc.,
an Oregon corporation, General Partner

By: 
Charles J. Hammagren, Treasurer

STATE OF OREGON)
) ss.
County of Deschutes)

This record was acknowledged before me on July 19, 2016, by Charles J. Hammagren as Treasurer of Pahlisch Homes, Inc., an Oregon corporation, which is the General Partner of Pahlisch Homes at Bella Vista Heights Limited Partnership, an Oregon limited partnership.



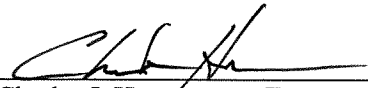


Signature of Notarial Officer
Stamp (if required):
Title of Office: Notary Public
My Commission Expires: 4.6.20

GRANTOR:

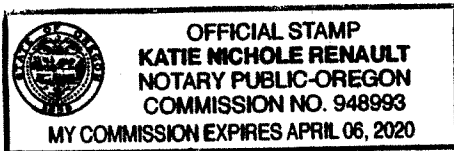
**PAHLISCH HOMES AT MCCALL LANDING
LIMITED PARTNERSHIP**, an Oregon limited
partnership

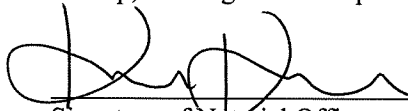
By: Pahlisch Homes, Inc.,
an Oregon corporation, General Partner

By: 
Charles J. Hammagren, Treasurer

STATE OF OREGON)
) ss.
County of Deschutes)

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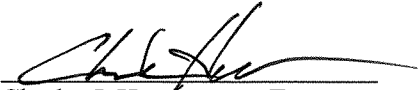



Signature of Notarial Officer
Stamp (if required):
Title of Office: Notary Public
My Commission Expires: 4.6.20

GRANTOR:

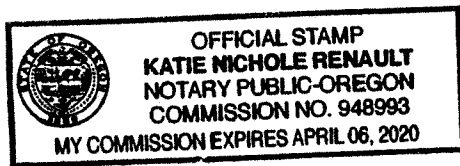
**PAHLISCH HOMES AT PARKLAND
LIMITED PARTNERSHIP**, an Oregon limited
partnership

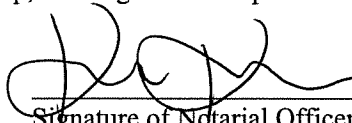
By: Pahlisch Homes, Inc.,
an Oregon corporation, General Partner

By: 
Charles J. Hammagren, Treasurer

STATE OF OREGON)
) ss.
County of Deschutes)

This record was acknowledged before me on July 19, 2016, by Charles J. Hammagren as Treasurer of Pahlisch Homes, Inc., an Oregon corporation, which is the General Partner of Pahlisch Homes at Parkland Limited Partnership, an Oregon limited partnership.





Signature of Notarial Officer

Stamp (if required):

Title of Office: Notary Public

My Commission Expires:

4.6.20

EXHIBIT A

ORIGINAL LOAN SCHEDULE

Loan #	Note Amount	Loan Documents Date	DOT Recording Date	DOT Recording No.	County	Borrower/Grantor
4649208	\$276,000	October 15, 2015	10/29/2015	2015-044494	Deschutes	Pahlisch Homes, Inc.
4649216	\$244,000	October 15, 2015	10/29/2016	2015-044492	Deschutes	Pahlisch Homes, Inc.
4651931	\$244,000	October 15, 2015	10/29/2015	2015-044528	Deschutes	Pahlisch Homes, Inc.
62760708776	\$276,000	April 22, 2016	5/3/2016	2016-016888	Deschutes	Pahlisch Homes, Inc.
62760709055	\$236,000	April 22, 2016	5/3/2016	2016-016889	Deschutes	Pahlisch Homes, Inc.
62760709667	\$244,000	April 22, 2016	5/3/2016	2016-016890	Deschutes	Pahlisch Homes, Inc.
62760709824	\$236,000	May 16, 2016	5/24/2016	2016-019922	Deschutes	Pahlisch Homes, Inc.
62760710152	\$297,800	June 13, 2016	6/21/2016	2016-24474	Deschutes	Pahlisch Homes, Inc.
62760712745	\$260,000	June 13, 2016	6/21/2016	2016-24476	Deschutes	Pahlisch Homes, Inc.
62760713057	\$300,900	June 13, 2016	6/21/2016	2016-24475	Deschutes	Pahlisch Homes, Inc.
62760533315	\$244,000	March 7, 2016	3/11/2016	2016-009380	Deschutes	Pahlisch Homes, Inc.
62760471011	\$289,000	February 10, 2016	2/18/2016	2016-005596	Deschutes	Pahlisch Homes, Inc.
62760471110	\$276,000	February 23, 2016	3/2/2016	2016-008186	Deschutes	Pahlisch Homes, Inc.
62760471334	\$292,500	March 7, 2016	3/11/2016	2016-009383	Deschutes	Pahlisch Homes, Inc.
62760434696	\$236,000	December 22, 2015	12/30/2015	2015-052800	Deschutes	Pahlisch Homes, Inc.
62760470880	\$291,200	January 13, 2016	1/22/2016	2016-002315	Deschutes	Pahlisch Homes, Inc.
62760470948	\$289,000	February 1, 2016	2/17/2016	2016-005462	Deschutes	Pahlisch Homes, Inc.
62760466268	\$354,000	December 18, 2015	12/31/2015	2015-052908	Deschutes	Pahlisch Homes, Inc.
62760466284	\$332,500	December 18, 2015	12/30/2015	2015-052818	Deschutes	Pahlisch Homes, Inc.
62760548834	\$334,000	March 22, 2016	3/30/2016	2016-011913	Deschutes	Pahlisch Homes, Inc.
62760548990	\$361,600	March 30, 2016	4/7/2016	2016-013139	Deschutes	Pahlisch Homes, Inc.
62760549352	\$312,000	March 30, 2016	4/7/2016	2016-013134	Deschutes	Pahlisch Homes, Inc.
62760549378	\$353,600	February 18, 2016	2/26/2016	2016-007581	Deschutes	Pahlisch Homes, Inc.
62760549428	\$356,000	April 22, 2016	5/3/2016	2016-016891	Deschutes	Pahlisch Homes, Inc.
62760713305	\$300,000	May 16, 2016	5/24/2016	2016-019888	Deschutes	Pahlisch Homes, Inc.
62760588186	\$306,500	February 18, 2016	2/26/2016	2016-007583	Deschutes	Pahlisch Homes, Inc.
62760714089	\$361,600	May 16, 2016	5/24/2016	2016-019924	Deschutes	Pahlisch Homes, Inc.
62760714097	\$356,000	May 16, 2016	5/24/2016	2016-019921	Deschutes	Pahlisch Homes, Inc.
62760533604	\$336,000	January 25, 2016	1/29/2016	2016-003287	Deschutes	Pahlisch Homes, Inc.
62760507079	\$300,000	March 14, 2016	3/24/2016	2016-011067	Deschutes	Pahlisch Homes, Inc.
62760434795	\$361,600	November 9, 2015	11/23/2015	2015-047817	Deschutes	Pahlisch Homes, Inc.
62760471508	\$381,600	March 14, 2016	3/24/2016	2016-011073	Deschutes	Pahlisch Homes, Inc.
4643177	\$359,900	August 26, 2015	9/4/2015	2015-036812	Deschutes	Pahlisch Homes, Inc.

MASTER MODIFICATION OF DEEDS OF TRUST - 10

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Loan #	Note Amount	Loan Documents Date	DOT Recording Date	DOT Recording No.	County	Borrower/Grantor
62760556688	\$157,100	March 24, 2016	3/31/2016	2016-012124	Deschutes	Pahlisch Homes at McCall Landing Limited Partnership
62760682542	\$153,700	March 24, 2016	3/31/2016	2016-012124	Deschutes	Pahlisch Homes at McCall Landing Limited Partnership
62760682633	\$153,900	March 24, 2016	3/31/2016	2016-012124	Deschutes	Pahlisch Homes at McCall Landing Limited Partnership
62760682617	\$154,900	March 24, 2016	3/31/2016	2016-012124	Deschutes	Pahlisch Homes at McCall Landing Limited Partnership
62760435115	\$202,600	February 1, 2016	2/25/2016	2016-007281	Deschutes	Pahlisch Homes at McCall Landing Limited Partnership
62760470377	\$201,000	February 1, 2016	2/25/2016	2016-007294	Deschutes	Pahlisch Homes at McCall Landing Limited Partnership
62760554881	\$243,200	April 12, 2016	4/22/2016	2016-015268	Deschutes	Pahlisch Homes at McCall Landing Limited Partnership
62760592816	\$272,350	April 12, 2016	4/22/2016	2016-015269	Deschutes	Pahlisch Homes at McCall Landing Limited Partnership
4641205	\$177,800	July 9, 2015	8/13/2016	2015-033386	Deschutes	Pahlisch Homes, Inc.
62760461251	\$168,000	February 5, 2016	2/25/2016	2016-007298	Deschutes	Pahlisch Homes at Parkland Limited Partnership
62760461350	\$179,750	February 5, 2016	2/25/2016	2016-007298	Deschutes	Pahlisch Homes at Parkland Limited Partnership
62760460774	\$358,000	January 8, 2016	1/22/2016	2016-002342	Deschutes	Pahlisch Homes, Inc.
4644043	\$274,000	August 20, 2015	9/8/2015	2015-030261	Jackson	Pahlisch Homes, Inc.
62760461111	\$269,300	February 5, 2016	3/18/2016	2016-008246	Jackson	Pahlisch Homes at Bella Vista Heights Limited Partnership
62760461129	\$244,000	February 5, 2016	3/18/2016	2016-008246	Jackson	Pahlisch Homes at Bella Vista Heights Limited Partnership
62760460600	\$267,200	February 4, 2016	3/18/2016	2016-00013727	Marion	Pahlisch Homes at Bailey Ridge Limited Partnership
62760518001	\$281,600	February 17, 2016	3/18/2016	2016-00013728	Marion	Pahlisch Homes at Bailey Ridge Limited Partnership
4618872	\$172,100	April 17, 2015	4/27/2015	2015-003898	Klamath	Pahlisch Homes, Inc.
4625604	\$164,000	June 10, 2015	6/25/2015	2015-006744	Klamath	Pahlisch Homes, Inc.

MASTER MODIFICATION OF DEEDS OF TRUST - 11

G:\Commercial Real Estate\LEVEL1\1-ARCHIVE\Oregon CRE\Commercial Real Estate\Builder Master File\Pahlisch Homes Inc\Spec Submissions\AGL2016\RLOC Documents\Final Documents\Modification of Deed of Trust OR.doc 6/28/2016