

MTC 1396-10957
RECORDATION REQUESTED BY:
South Valley Bank & Trust
Commercial Branch
P O Box 5210
Klamath Falls, OR 97601

2012-011506
Klamath County, Oregon
10/16/2012 03:04:06 PM
Fee: \$42.00

WHEN RECORDED MAIL TO:
South Valley Bank & Trust
Commercial Branch
P O Box 5210
Klamath Falls, OR 97601

SEND TAX NOTICES TO:
South Valley Bank & Trust
Commercial Branch
P O Box 5210
Klamath Falls, OR 97601

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF DEED OF TRUST



THIS MODIFICATION OF DEED OF TRUST dated October 15, 2012, is made and executed between Kleos Children's Community, Inc., whose address is 32700 River Bend Rd., Chiloquin, OR 97624 ("Grantor") and South Valley Bank & Trust, whose address is Commercial Branch, P O Box 5210, Klamath Falls, OR 97601 ("Lender").

DEED OF TRUST: Lender and Grantor have entered into a Deed of Trust dated June 29, 1999 (the "Deed of Trust") which has been recorded in Klamath County, State of Oregon, as follows:

Deed of Trust dated June 29, 1999, recorded July 13, 1999 in Volume M99 on page 27946 in records of Klamath County, Oregon with modifications as follows:

March 23, 2000, recorded March 28, 2000 in Volume M00 on page 10080, July 12, 2004, recorded July 14, 2004 in Volume M04 on page 45899 and July 17, 2006, recorded July 25, 2006 in volume M06 on page 14993 in records of Klamath County, Oregon

REAL PROPERTY DESCRIPTION. The Deed of Trust covers the following described real property located in Klamath County, State of Oregon:

See Exhibit "A", which is attached to this Modification and made a part of this Modification as if fully set forth herein.

The Real Property or its address is commonly known as 32700 River Bend Rd., Chiloquin, OR 97624. The Real Property tax identification number is 3507-02000-006000 & 3507-02000-00800-000.

MODIFICATION. Lender and Grantor hereby modify the Deed of Trust as follows:

Extend maturity date and increase amount of loan.

CONTINUING VALIDITY. Except as expressly modified above, the terms of the original Deed of Trust shall remain unchanged and in full force and effect. Consent by Lender to this Modification does not waive Lender's right to require strict performance of the Deed of Trust as changed above nor obligate Lender to make any future modifications. Nothing in this Modification shall constitute a satisfaction of the promissory note or other credit agreement secured by the Deed of Trust (the "Note"). It is the intention of Lender to retain as liable all parties to the Deed of Trust and all parties, makers and endorser to the Note, including accommodation parties, unless a party is expressly released by Lender in writing. Any maker or endorser, including accommodation makers, shall not be released by virtue of this Modification. If any person who signed the original Deed of Trust does not sign this Modification, then all persons signing below acknowledge that this Modification is given conditionally, based on the representation to Lender that the non-signing person consents to the changes and provisions of this Modification or otherwise will not be released by it. This waiver applies not only to any initial extension or modification, but also to all such subsequent actions.

CROSS-COLLATERALIZATION. In addition to the Note, this Agreement secures all obligations, debts and liabilities, plus interest thereon, of Grantor to Lender, or any one or more of them, as well as all claims by Lender against Grantor or any one or more of them, whether now existing or hereafter arising, whether related or unrelated to the purpose of the Note, whether voluntary or otherwise, whether due or not due, direct or indirect, absolute or contingent, liquidated or unliquidated and whether Grantor may be liable individually or jointly with others, whether obligated as guarantor, surety, accommodation party or otherwise, and whether recovery upon such amounts may be or hereafter may become barred by any statute of limitations, and whether the obligation to repay such amounts may be or hereafter may become otherwise unenforceable.

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MODIFICATION OF DEED OF TRUST AND GRANTOR AGREES TO ITS TERMS. THIS MODIFICATION OF DEED OF TRUST IS DATED OCTOBER 15, 2012.

GRANTOR:

KLEOS CHILDREN'S COMMUNITY, INC.

By: Gordon L. Hankins
Gordon L. Hankins, President of Kleos Children's Community, Inc.

By: Victoria L. Hankins
Victoria L. Hankins, Vice President of Kleos Children's Community, Inc.

LENDER:

SOUTH VALLEY BANK & TRUST

x Lissa Koch
Authorized Officer



MODIFICATION OF DEED OF TRUST
(Continued)

Loan No: 830139342

Page 2

CORPORATE ACKNOWLEDGMENT

STATE OF Oregon)
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COUNTY OF Klamath) SS
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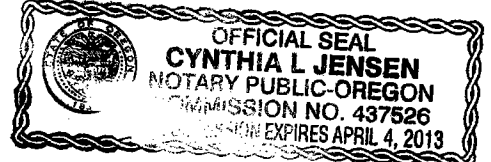


On this 15th day of October, 20 12, before me, the undersigned Notary Public, personally appeared Gordon L. Hankins, President of Kleos Children's Community, Inc. and Victoria L. Hankins, Vice President of Kleos Children's Community, Inc., and known to me to be authorized agents of the corporation that executed the Modification of Deed of Trust and acknowledged the Modification to be the free and voluntary act and deed of the corporation, by authority of its Bylaws or by resolution of its board of directors, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute this Modification and in fact executed the Modification on behalf of the corporation.

By Cynthia L. Jensen Residing at Klamath Falls
Notary Public in and for the State of Oregon My commission expires 4/4/2013

LENDER ACKNOWLEDGMENT

STATE OF Oregon)
)
COUNTY OF Klamath) SS
)



On this 15th day of October, 20 12, before me, the undersigned Notary Public, personally appeared Tessa Koch and known to me to be the Loan Officer, authorized agent for South Valley Bank & Trust that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of South Valley Bank & Trust, duly authorized by South Valley Bank & Trust through its board of directors or otherwise, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this said instrument and in fact executed this said instrument on behalf of South Valley Bank & Trust.

By Cynthia L. Jensen Residing at Klamath Falls
Notary Public in and for the State of Oregon My commission expires 4/4/2013