

# ASSUMPTION AGREEMENT AND MODIFICATION OF PROMISSORY NOTE AND DEED OF TRUST TO ONE-YEAR AML

THIS DOCUMENT CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE. INCREASES IN THE INTEREST RATE WILL RESULT IN HIGHER PAYMENTS. DECREASES IN THE INTEREST RATE WILL RESULT IN LOWER PAYMENTS.

THIS AGREEMENT is entered into this 25th day of January, 1988, between GREAT WESTERN FEDERAL SAVINGS BANK, now known as GREAT WESTERN SAVINGS BANK, a savings and loan organized under the laws of the State of Washington, (hereinafter referred to as "Lender"), Patrick L. Moore and Kimberly K. Moore, as tenants by entirety, (hereinafter referred to as "Borrower"); and John R. Harris and Joyce M. Harris, as tenants by entirety, (hereinafter referred to as "Purchaser");

WHEREAS, Lender is the owner and holder of that certain Promissory Note dated April 15, 1985, in the original principal amount of FORTY-EIGHT THOUSAND NINE HUNDRED AND NO/100 DOLLARS (\$48,900.00), which Note was made, executed and delivered by Borrower to Lender, and of a real estate Deed of Trust of even date therewith, executed by Borrower and given to secure the payment of said Promissory Note, which Deed of Trust is of record in the Office of the Auditor of Klamath County, State of Oregon, under Auditor's File No. 48012, in Volume M85, at page 5802; presently covering real property described on Exhibit "A" attached hereto and by this reference made a part hereof, and

WHEREOF, Borrower is desirous of selling the aforementioned premises and Purchaser is desirous of purchasing the same; and

WHEREAS, by the terms and conditions of the aforesaid Deed of Trust, the Borrower may not make any voluntary transfer of the premises, or any part thereof, without first obtaining the written consent of Lender; and

WHEREAS, said Promissory Note and Deed of Trust provide, inter alia, that the same shall be paid in monthly installments which presently are in the amount of THREE HUNDRED FIFTY-NINE AND 88/100 DOLLARS, (\$359.88), due and payable on the first day of each month, with interest computed and accrued at the rate of eight percent (8.00%) per annum; provided, however, that all unpaid principal and interest accrued thereon, if not sooner paid, shall become due and payable and shall be paid on May 1, 2015;

WHEREAS, the remaining balance owing on said Promissory Note and Deed of Trust after applying pledged savings, if any, to said balance is in the amount of FORTY-FIVE THOUSAND FOUR HUNDRED EIGHTY-ONE AND NO/100 DOLLARS (\$45,488.00), with interest paid to December 1, 1987;

NOW THEREFORE, in consideration of the payment to Lender of THREE HUNDRED FIFTY-NINE AND 88/100 DOLLARS (\$359.88), and good and valuable considerations to Borrower, the sufficiency of which is hereby acknowledged.

IT IS HEREBY MUTUALLY AGREED by the parties as follows:

1. Interest. Interest will be charged on that part of principal which has not been paid beginning on the date of this Agreement and continuing until the full amount of principal has been paid. Beginning on the date of this Agreement, Borrower will pay interest at a yearly rate of 8.00%. This rate is called the "Initial Rate Interest." The rate of interest Borrower will pay will change in accordance with Section 3 of this Agreement.

2. Amount of Monthly Payments. The monthly payment will be in the amount of U.S. \$359.88. This amount will change if the rate of interest changes. The Note Holder will determine the new rate of interest and the changed amount of the monthly payment in accordance with Section 3 of this Agreement. The Lender or anyone who takes this Agreement by transfer and who is entitled to receive payments under this Agreement is called the "Note Holder."

3. Interest Rate and Monthly Payment Changes.

(A) Change Dates

Beginning in 1988, the rate of interest Borrower will pay may be changed on the 1st day of May, and on that day every 12th month thereafter. Each date on which the rate of interest could change is called a "Change Date."

(B) The Index

Any changes in the rate of interest will be based on an Index. The "Index" is the weekly average yield on United States Treasury securities adjusted to a constant maturity of one (1) year as made available by the Federal Reserve Board.

If the Index is no longer available, the Note Holder will choose a new index which is based upon comparable information. The Note Holder will give Borrower notice of this choice.

The most recently available Index figure as of the date 45 days before each Change Date is called the "Current Index."

(C) Calculation of Changes

Before each change date, the Note Holder will calculate the new interest rate by adding two percentage points (2.00%) to the Current Index. The Note Holder will then round the results to this addition to the nearest one-eighth (1/8) of one (1) percentage point (0.125%). The rounded amount will be the new interest rate until the next change date.

The Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the unpaid principal balance on the loan. Borrower is expected to owe on the change date in full on the maturity date at the new interest rate and subsequent equal payments. The result of this calculation is called "full-payment amount," and it will be the new amount of the monthly payment.

(D) Limit on Interest Rate Changes

The rate of interest I am required to pay shall never be increased or decreased on any single change date by more than two percentage points (2.00%) from the rate of interest I have been paying for the period preceeding the change date.

The rate of interest I am required to pay shall never be greater than fifteen and one-eighth percent (15.125%).

(E) Effective Date of Changes

The new rate of interest will become effective on each change Date. Borrower will pay the new amount of the monthly payment each month beginning on the first monthly payment date after the Change Date until the amount of the monthly payment is again changed or Borrower has fully repaid the loan.

(F) Notice of Changes

The Note Holder will mail or deliver to Borrower a notice of any changes in the amount of the monthly payment before the effective date of any change. The notice will include information required by law to be given and also the title and telephone number of a person who will answer any questions Borrower may have regarding the notice.

4. Borrower's Right to Repay. Borrower has the right to make payments of principal at any time before they are due. A payment of principal only is known as a "prepayment." When Borrower makes a prepayment, Borrower will tell the Note Holder in a letter that Borrower is doing so.

Borrower may make a full prepayment or a partial prepayment without paying any penalty. The Note Holder will use all of the prepayments to reduce the amount of principal that Borrower owes under this Agreement. If Borrower makes a partial prepayment there will be no delays in the due dates of monthly payments unless the Note Holder agrees in writing to those delays. A partial prepayment will reduce the amount of monthly payments only after the first Change Date following the partial prepayment. However, any reduction due to partial prepayment may be offset by an interest rate increase.

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5. Loan Charges. If a law which applies to this loan and which sets maximum loan charges is finally interpreted so that the interest or other loan charges collected or to be collected in connection with this loan exceed the permitted limits, then: (i) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (ii) any sums already collected from me which exceeded permitted limits will be refunded to Borrower. The Note Holder may choose to make this refund by reducing the principal due under this Agreement or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment.

6. Payments; Maturity. Borrower agrees to make monthly payments to principal and interest in accordance with the terms of the Promissory Note as herein modified until it has been fully paid; PROVIDED, however, that the full amount of principal and all interest accrued thereon, if not sooner paid, shall become due and payable and shall be paid on May 1, 2015.

7. Non-Waiver. The said Promissory Note, Deed of Trust and the other Loan Documents pertaining thereto are hereby confirmed in full force and effect. Nothing contained in this Agreement shall be construed to constitute a waiver of strict and timely performance by Borrower of all of his duties and obligations under the said Promissory Note, Deed of Trust and the other Loan Documents, or of any right or remedy which Lender, or any other owner or holder of the said Promissory Note, Deed of Trust and the other Loan Documents may have or hereafter acquire with respect to any default under any of them.

8. Warranties. Borrower hereby warrant that Lender, or its Trustee in Trust, as provided in the aforementioned Deed of Trust, is vested with a first and paramount lien in the premises covered by the Deed of Trust and related Loan Documents thereto.

9. Successors. This Agreement shall be jointly and severally binding upon the parties herein, their heirs, legal representatives, successors and assigns.

The foregoing amendments to the said Promissory Note and Deed of Trust shall be effective upon the execution hereof and shall replace and supersede all terms and provisions contained therein which are not consistent with the foregoing amendments; in all other respects the terms and provisions of the said Promissory Note, Deed of Trust and all other Loan Documents pertaining thereto, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereunto have set their hands on the date first above written.

LENDER

GREAT WESTERN SAVINGS BANK

By:

Donna L. Joy  
Donna L. Joy  
Vice President

BORROWER

Patrick L. Moore  
Patrick L. Moore

Kimberly K. Moore  
Kimberly K. Moore

PURCHASER

John R. Harris  
John R. Harris

Joyce M. Harris  
Joyce M. Harris

Notary Acknowledgements attached hereto as pages 4 and 5 and made a part of this instrument.



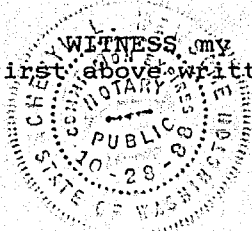
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**LENDER NOTARY**

STATE OF WASHINGTON )  
COUNTY OF King ) ss.

On this 27th day of January, 1988, before me the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Donna L. Joy, Vice President, of GREAT WESTERN SAVINGS BANK, the savings and loan that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said savings and loan, for the uses and purposes therein mentioned, and on oath stated that she was authorized to execute the said instrument.

WITNESS my hand and official seal thereto affixed the day and year first above written.



Cheryl L. Newsome  
NOTARY PUBLIC in and for the State of  
Washington, residing at Redmond.

**BORROWER NOTARY**  
**GENERAL ACKNOWLEDGMENT**

NO. 201

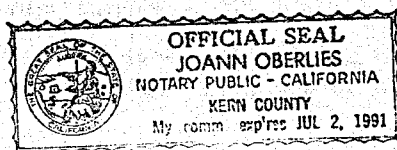
State of California }  
County of Kern } ss.

On this the 23 day of January, 1988 before me,

JoAnn Oberlies,  
the undersigned Notary Public, personally appeared

Patrick L. Moore,

☐ personally known to me  
☒ proved to me on the basis of satisfactory evidence  
to be the person(s) whose name(s) is subscribed to the  
within instrument, and acknowledged that he executed it.  
WITNESS my hand and official seal.



JoAnn Oberlies  
Notary's Signature

7110 122

NATIONAL NOTARY ASSOCIATION • 23012 Ventura Blvd. • P.O. Box 4625 • Woodland Hills, CA 91365-4625

STATE OF OREGON )  
COUNTY OF Klamath ) ss.

On this 25th day of January, 1988, before me the undersigned, a Notary Public in and for the State of Oregon, duly commissioned and sworn, personally appeared Kimberly K. Moore to me known to be the individual described in and who executed the foregoing instrument, and acknowledged to me that she signed and sealed the said instrument as her free and voluntary act and deed for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

Harlene F. Addington  
NOTARY PUBLIC in and for the State of Oregon,  
residing at Klamath Falls, OR.

My. Commission Expires: 3-22-89

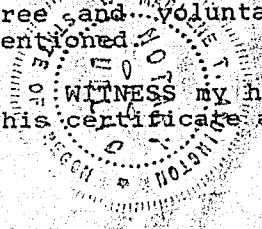
PURCHASER NOTARY

STATE OF OREGON           )  
                                  )ss.  
COUNTY OF Klamath    )

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On this 25<sup>th</sup> day of January, 1988, before me the undersigned, a Notary Public in and for the State of Oregon, duly commissioned and sworn, personally appeared John R. Harris to me known to be the individual described in and who executed the foregoing instrument, and acknowledged to me that he signed and sealed the said instrument as his free and voluntary act and deed for the uses and purposes therein mentioned.


WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

  
Darlene P. Addington  
NOTARY PUBLIC in and for the State of Oregon,  
residing at 3-22-89.

STATE OF OREGON           )  
                                  )ss.  
COUNTY OF Klamath    )

On this 25<sup>th</sup> day of January, 1988, before me the undersigned, a Notary Public in and for the State of Oregon, duly commissioned and sworn, personally appeared Joyce M. Harris to me known to be the individual described in and who executed the foregoing instrument, and acknowledged to me that she signed and sealed the said instrument as her free and voluntary act and deed for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

  
Darlene P. Addington  
NOTARY PUBLIC in and for the State of Oregon,  
residing at 3-22-89.

After Recording,  
Return To:

Great Western Savings Bank  
P.O. Box C-91080  
Bellevue, WA 98004  
Attn: Leonieze

EXHIBIT "A" TO ASSUMPTION AGREEMENT AND  
MODIFICATION OF PROMISSORY NOTE AND DEED OF TRUST  
TO ONE - YEAR AML

Lot 11 in Block 2 of FIRST ADDITION TO WINEMA GARDENS, in the  
County of Klamath, State of Oregon.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Aspen Title & Escrow, Inc. the 29th day  
of January A.D., 19 88 at 11:33 o'clock A M., and duly recorded in Vol. M88,  
of Mortgages on Page 1370

FEE \$30.00

Evelyn Biehn, County Clerk

By PRM Smith