

ASSUMPTION AGREEMENT / TRUST DEED

THIS AGREEMENT is made as of the 10th day of August, 2000, by and between OCALA-Pacific, Inc., herein called "OCALA," and Curtis Sorg, William Sorg, and Stephanie Sorg, herein called "the Sorgs."

RECITALS:

1. On or about February 18, 1998, Theodore J. Paddock, herein called "Paddock," made, executed, and delivered his Promissory Note in the face amount of \$65,000 to James H. Patton and Margie G. Patton, husband and wife, or the survivor thereof, herein called "the Pattons." The payment of said Promissory Note is secured by a Trust Deed recorded February 19, 1998 in Volume M98 at Page 5400 of the Microfilm Records of Klamath County, Oregon.

2. Said Promissory Note was assigned and delivered by the Pattons to OCALA. In addition, the Pattons have assigned to OCALA their rights as beneficiaries of said Trust Deed.

3. The Sorgs have agreed to purchase the real property described on said Trust Deed from Paddock. As part of the consideration for said sale, the Sorgs have agreed to assume the obligations under the said Promissory Note and Trust Deed.

4. Said Promissory Note and Trust Deed are in default due to Paddock's failure to pay when due the payments required by said Promissory Note. The Sorgs have agreed with Paddock to assume, pay, and perform the obligations represented by the Promissory Note and Trust Deed, if OCALA will agree as follows:

(a) To waive the provisions of the Trust Deed that provide that the debt secured by the Trust Deed shall be immediately due and payable in the event of the sale of said property by Paddock; and

(b) To waive the defaults that have heretofore occurred, allow the Sorgs to assume the payment of the principal balance of \$65,000, and to make monthly interest-only payments on said debt commencing September 10, 2000, with a stated interest rate of 10 percent per annum for a period of five years.

AGREEMENT:

OCALA has determined that it is in its best interest to allow the assumption of the obligation by the Sorgs as described above. Therefore, OCALA and the Sorgs covenant and agree as follows:

A. OCALA agrees that the unpaid principal balance of said Promissory Note is \$65,000,

31/✓ oc Et: Curtis Sorg

that said Promissory Note shall earn interest at the rate of 10 percent per annum from August 10, 2000 until paid, and that OCALA will accept interest-only monthly payments commencing September 10, 2000 and continuing for a total of sixty (60) consecutive months, at which time all unpaid principal and interest shall become immediately due and payable. The Sorgs shall have the right to prepay principal at any time.

B. The Sorgs agree to assume and pay said Promissory Note as modified by paragraph A., above, and to perform the covenants and conditions contained in the Trust Deed that secures it.

C. The parties agree to place the Promissory Note, the Trust Deed that secures it, a Request for Reconveyance, and this Assumption Agreement in escrow at AmeriTitle, Klamath Falls, Oregon. The Sorgs agree to make all payments due and owing on the Promissory Note in care of OCALA at AmeriTitle, Klamath Falls, Oregon. The parties agree to execute any documents that said title company may reasonably require in order to fulfill the terms of this Assumption Agreement.

D. OCALA agrees to direct the Trustee named on said Trust Deed to reconvey the estate held by it at such time as the principal and interest have been paid in full.

IN WITNESS WHEREOF, the parties have executed this Assumption Agreement as of the date first herein above written.

OCALA-Pacific, Inc.

By: Terry Maddox  
Its Authorized Representative

Attention: Terry Maddox  
3145 Seminole Drive  
Redding CA 96001

Curtis Sorg  
Curtis Sorg

William Sorg  
William Sorg

Stephanie Sorg  
Stephanie Sorg

1428 Pacific Terrace  
Klamath Falls OR 97601

# ASSUMPTION AGREEMENT

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STATE OF OREGON,

County of Klamath } ss.

FORM No. 23—ACKNOWLEDGMENT.  
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BE IT REMEMBERED, That on this 19th day of February, 2001, before me, the undersigned, a Notary Public in and for the State of Oregon, personally appeared the within named Curtis Sorg, William Sorg and Stephanie Sorg

known to me to be the identical individual S. described in and who executed the within instrument and acknowledged to me that they executed the same freely and voluntarily.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.



Susan Marie Campbell  
Notary Public for Oregon  
My commission expires 3-01-02

## ALL-PURPOSE ACKNOWLEDGMENT

14666

State of California

County of Shasta

} SS.

On 4-4-01

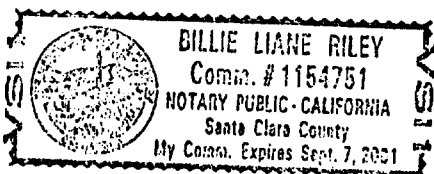
(DATE)

before me, Billie Liane Riley

(NOTARY)

personally appeared Terry Maddox

SIGNER(S)

☐ personally known to me - OR -☒ 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.

WITNESS my hand and official seal.

Billie Liane Riley  
 NOTARY'S SIGNATURE

## OPTIONAL INFORMATION

The information below is not required by law. However, it could prevent fraudulent attachment of this acknowledgment to an unauthorized document.

## CAPACITY CLAIMED BY SIGNER (PRINCIPAL)

- ☐ INDIVIDUAL  
☐ CORPORATE OFFICER

TITLE(S)

- ☐ PARTNER(S)  
☐ ATTORNEY-IN-FACT  
☐ TRUSTEE(S)  
☐ GUARDIAN/CONSERVATOR  
☐ OTHER \_\_\_\_\_

## DESCRIPTION OF ATTACHED DOCUMENT

TITLE OR TYPE OF DOCUMENT

NUMBER OF PAGES

DATE OF DOCUMENT

OTHER

SIGNER IS REPRESENTING:  
 NAME OF PERSON(S) OR ENTITY(IES)

RIGHT THUMBPRINT  
 OF  
 SIGNER

