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ASPEN 54898

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State of Oregon, County of Klamath  
Recorded 04/15/2003 2:27 p.m.  
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Linda Smith, County Clerk  
Fee \$ 31 # of Pgs 3

This document is being recorded as an accommodation only. No information contained herein has been verified.  
**Aspen Title & Escrow, Inc.**

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WHEN RECORDED RETURN TO:

PACE Credit Union  
3010 S.E. Belmont  
Portland, OR 97214

#### MODIFICATION AGREEMENT

Grantor(s): Jerry L Hinkle and Karen L Hinkle, as tenants by the entirety

Grantee: PACE Credit Union

**Legal Description:**

Lot 21, Block 6, WAGON TRAIL ACREAGES NUMBER ONE, SECOND ADDITION, according to the official plat thereof on file in the office of the Clerk of Klamath County, Oregon.

Assessor's Property Tax Parcel or Account No.: R128748

**CURRENT OBLIGATION.** On or about May 14, 2002, Jerry L Hinkle and Karen L Hinkle (referred to below sometimes as "Grantor" and sometimes as "Borrower") executed and delivered to PACE Credit Union ("Credit Union"), as Beneficiary, a Deed of Trust encumbering the real property described above. The Deed of Trust was recorded on 5/22/02, at Klamath Falls, Oregon in the records of Klamath County. The Deed of Trust secures a promissory note ("Obligation") in the amount of \$125,000.00. Trust Deed Recorded in Book:M02, Page 30278

**MODIFICATION.** For good and valuable consideration, Grantor and Credit Union hereby agree to modify the terms of the Obligation, Deed of Trust and Adjustable Rate Rider ("Rider") as follows:

☐ **Principal Balance Increase.** The principal amount is increased to \$\_\_\_\_\_.

☒ **Interest Rate.** The interest rate is changed to 4.70%.

☐ **Payment Schedule.** The new payment schedule is \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_.

☒ **Interest Rate and Payment Schedule.** Borrower and Credit Union agree that upon execution of this Modification Agreement, the interest rate set forth in the Obligation is hereby modified to an initial interest rate of 4.70 percent (4.70%) per annum ("Initial Rate") effective 4/1/03. Borrower promises to pay the unpaid balance of \$125,000.00 in initial monthly payments of \$ 648.30 beginning 4/1/03, in accordance with the provisions of the Obligation and this Modification Agreement. This amount may change. Changes in the monthly payment will reflect changes in the unpaid principal balance of the Obligation and in the interest rate that Borrower must pay. Credit Union will determine Borrower's new interest rate and changed monthly payment amount in accordance with Sections a. b. and c. of this Modification Agreement. Borrower's final payment will be due 3/1/33 ("Maturity Date"). On the Maturity Date, all outstanding principal, interest, and all other outstanding charges and fees must be paid.

- a. The interest rate Borrower will pay may change on the first day of 3/1/08 and on that day every 12th month thereafter. Each date on which the interest rate could change is called a "Change Date." Beginning with the first Change Date, Borrower's adjustable interest rate will be determined by the Credit Union in its discretion, subject to the limitations set forth below in Sections b. and c. Subject to the limits stated in Sections b. and c., this will be the new interest rate until the next Change Date.
- b. Before each Change Date, the Credit Union will determine the amount of the monthly payment that would be sufficient to repay the unpaid principal that Borrower is expected to owe in full on the Maturity Date at Borrower's new interest rate in substantially equal payments. The result of this calculation will be the new monthly payment amount. The interest rate Borrower is required to pay at the first Change Date will not be greater than 6.70% or less than 2.70%. Thereafter, the interest rate will not change more than two percentage points (2%) each year nor more than six percentage points (6%) over the Initial Rate over the life of the loan.
- c. The new interest rate will become effective on each Change Date. Borrower will pay the amount of the new monthly payment beginning on the first monthly payment date after the Change Date until the amount of the monthly payment changes again. Credit Union will deliver or mail to Borrower a notice of any changes in the initial interest rate to an adjustable interest rate and of any changes in the adjustable interest rate before the effective date of any change. The notice will include the amount of Borrower's monthly payment and any information required by law to be given to Borrower.

☒ **Extension.** The maturity date is changed to 3/1/33.

☐ **Assumption.** The following person(s) or entity(s), referred to below as the "Assuming Party," has assumed and is now liable for the indebtedness and obligations of Trustor under the Deed of Trust.

Name: \_\_\_\_\_  
Address: \_\_\_\_\_

☐ **Other.** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

☒ **Fee.** Borrower agrees to pay Credit Union a fee of \$1300.00 in exchange for this modification. Borrower hereby authorizes Credit Union to deduct the fee from Borrower's share account with Credit Union, unless Borrower pays the fee separately to Credit Union upon signing this Modification Agreement.

**CONTINUING VALIDITY.** Except as modified above, all other terms and conditions of the Obligation, Deed of Trust

and Rider shall remain unchanged and in full force and effect, including, but not limited to, the obligation of Borrower to comply with all covenants, agreements, and requirements of the Obligation, Deed of Trust and Rider, including, but not limited to, the payment of taxes, insurance premiums, assessments, escrow items, impounds, and all other payments that the Borrower is obligated to make under the Obligation, Deed of Trust and Rider. Consent by Credit Union to this Modification Agreement does not waive Credit Union's right to require strict performance of the Deed of Trust, Obligation, and Rider as changed above or obligate Credit Union to make any future modifications. Nothing in this Modification Agreement shall be understood or construed to be a satisfaction, release or exoneration, in whole or in part, of the Obligation, Deed of Trust and Rider. It is the intention of Credit Union to retain as liable all parties to the Deed of Trust and all parties, makers, and endorser to the Obligation, including accommodation parties, unless a party is expressly released by Credit Union in writing. Any maker or endorser, including accommodation makers, shall not be released by virtue of this Modification Agreement. If any person who signed the original Deed of Trust does not sign this Modification Agreement, then all persons signing below acknowledge that this Modification Agreement is given conditionally based on the representation to Credit Union that the non-signing person consents to the changes and provisions of this Modification Agreement 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.

DATED this 27 of March, 2003

**EACH GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MODIFICATION AGREEMENT AND EACH GRANTOR AGREES TO ITS TERMS.**

GRANTOR(S):

Jerry L. Hinkle  
Jerry L Hinkle  
Karen L Hinkle  
Karen L Hinkle

STATE OF Oregon)

) ss.

County of Multnomah)

On this 27 day of March, 2003, before me, a Notary Public in and for said state, personally appeared Jerry L Hinkle and Karen L Hinkle, known to me to be the person(s) who executed the Modification Agreement and acknowledged to me that he/she/they executed the same for the purposes therein stated.

Mary J Barnett  
Notary Public for  
My Commission Expires: 8-31-03

