

IT IS AGREED:

The State of Oregon, by and through the Director of Veterans' Affairs, herein called "Lender", is the owner and holder of a Note and Mortgage, Trust Deed, or Security Agreement, herein called "Security Document", dated March 9, 1978, and recorded in the office of the county recording officer of KLAMATH county, Oregon, in Volume/Reel _____ Book M78 at page 4539 on March 9, 1978.

MICHAEL T. FROST and GAIL O. FROST husband and wife herein called "Buyer", is the purchaser of all, or a portion, of the property described in said Security Document; the property being purchased is more particularly described as follows:

A tract of land situated in the Northeast Quarter of Section 7, Township 39 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at a 5/8 inch iron pin from which the corner common to Sections 5, 6, 7 and 8 of said Township and Range, bears North 49° 02' 09" East a distance of 1145.0 feet (said Section corner marked by an iron axle); thence South 02° 36' 50" West a distance of 650.69 feet to the Northeast corner of parcel of land conveyed to Charles Fisher and Ron Phair by Deed recorded February 9, 1977, in Volume M77, page 2413, Microfilm Records of Klamath County, Oregon; thence West along the North line of last mentioned parcel to a point on the apparent Easterly right of way line of Booth Road; thence continuing West 30 feet, more or less, to the West line of the E-NE 1/4 of said Section 7; thence North 0° 15' 55" East along said West line a distance of 666.05 feet to the Northwest corner of tract conveyed to Lee L. Gilder, et ux, by Deed recorded January 12, 1977 in Volume M77, page 1272, Microfilm Records of Klamath County, Oregon; thence South 87° 39' 31" East 30 feet, more or less to a point on the apparent Easterly right of way line of Booth Road; thence continuing South 87° 39' 31" East along the Northerly line of last mentioned tract, a distance of 442.7 feet, to the point of beginning.

EXCEPTING THEREFROM a strip of land 30 feet wide along the West side thereof, conveyed to Klamath County by Deed recorded September 18, 1961 in Volume 332, page 237, Deed Records of Klamath County, Oregon.

ALSO EXCEPTING THEREFROM a parcel of land situated in the NE 1/4 of Section 7, Township 39 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at a 5/8" iron pin from which the corner common to Sections 5, 6, 7 and 8, said Township and Range, bears North 49° 02' 09" East a distance of 1145.0 feet; thence North 87° 39' 31" West, a distance of 442.7 feet to a point on the apparent Easterly right of way line of Booth Road; thence continuing North 87° 39' 31" West a distance of 30.2 feet, more or less, to the West line of the E-NE 1/4 of said Section 7; thence South 00° 15' 55" West along said West line a distance of 159.5 feet to a point; thence South 89° 44' 05" East a distance of 30.0 feet to the apparent Easterly right of way line of Booth Road; thence continuing South 89° 44' 05" East a distance of 436.6 feet, more or less, to the Easterly line of tract conveyed to Lee L. Gilder, et ux by Deed recorded in Volume M77, page 1272, Microfilm Records of Klamath County, Oregon; thence North 02° 36' 56" East along said Easterly line a distance of 138.5 feet, more or less to the point of beginning.

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Buyer hereby assumes and agrees to pay the obligation evidenced by the Security Document under the same terms and conditions contained therein except as specifically changed by this Agreement.

The unpaid balance on the loan being assumed is \$44,908.42 as of August 1, 1983.

The interest rate is variable and will be 6.2 percent per annum. If this is a variable interest rate loan, the Lender can periodically change the interest rate by Administrative Rule. Changes in the interest rate will change the payment on the loan.

The initial principal and interest payments on the loan are \$360.00 to be paid monthly. (The payment will change if interest rate is variable and the interest rate changes.)

All parties obligated under the terms and conditions of the aforesaid Security Document are hereby released from any and all liability under said document, except the parties to this agreement.

The payments on the loan being assumed by this agreement may be periodically adjusted by Lender to an amount that will cause the loan to be paid in full on the due date of the last payment.

Buyer agrees that the balance of this loan is immediately due and payable in full upon the second sale or other transfer of all or part of the property securing this loan after July 1, 1983. However, this requirement does not apply where the transfer or sale is to the original borrower, the surviving spouse, unremarried former spouse, surviving child or stepchild of the original borrower, or to a veteran eligible for a loan under ORS 407.010 to 407.210 and Article XI-A of the Oregon Constitution.

Signed this 15th day of August, 1983.

Michael T. Frost Buyer
MICHAEL T. FROST
Gail O. Frost Buyer
GAIL O. FROST

STATE OF OREGON

COUNTY OF Klamath

ss

August 15, 1983.

Personally appeared the above named MICHAEL T. FROST and GAIL O. FROST and acknowledged the foregoing instrument to be his (their) voluntary act and deed.

Before me:

Notary Public For Oregon
My Commission Expires: _____

Signed this 8th day of August, 1983.

Return: DVA, 124 Nth 4th, K Falls
Attn: Lester

DIRECTOR OF VETERANS' AFFAIRS

By: Leonard P. Hill

STATE OF OREGON

County of Klamath

ss

August 8, 1983.

Personally appeared the above named LEONARD P. HILL and, being duly sworn, did say that he (she) is authorized to sign the foregoing instrument on behalf of the Director of Veterans' Affairs, and that his (her) signature was his (her) voluntary act and deed.

Before me:

Notary Public For Oregon
My Commission Expires: 5-30-87

508-M (1-83) OF OREGON

STATE OF OREGON: COUNTY OF KLAMATH ;ss

I hereby certify that the within instrument was received and filed for record on the 15 day of August A.D., 1983 at 3:15 o'clock P M and duly recorded in Vol M83, of MTGES on page 13683

EVELYN BIEHN COUNTY CLERK

FEE \$ 8.00

by _____ Deputy