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Vol. M85 Page 12944

DEPARTMENT OF VETERANS' AFFAIRS

MTC 15314K
ASSUMPTION AGREEMENTM86459
Loan NumberDATE: August 9, 1985PARTIES: J. of Crystal/Ray and DONALD RAY, husband and wife

BUYER

Jay S. McCormick and Linda Watson, husband and wife

SELLER

The State of Oregon By And Through The Director Of Veterans' Affairs

LENDER

Until a change is requested, all tax statements are to be sent to: Department of Veterans' Affairs
Attn: Tax Section
700 Summer Street, N.E.
Salem, Oregon 97310-1201

THE PARTIES STATE THAT:

1. Seller owes Lender the debt shown by:

(a) A note in the sum of \$ 28,025.00 dated April 11, 19 78, which note is secured by a mortgage of the same date, and recorded in the office of the county recording officer of Klamath county, Oregon, in Volume/Reel/Book M78Page 6985 on April 11, 19 78.

(b) A note in the sum of \$ _____ dated _____, 19 _____, which note is secured by a Trust Deed of the same date and recorded in the office of the county recording officer of _____ county, Oregon, in Volume/Reel/Book _____

on _____, 19 _____

(c) A note in the sum of \$ _____ dated _____, 19 _____, which note is secured by a Security Agreement of the same date.

(d) and further shown by _____

In this agreement the items mentioned in (a), (b), (c), and (d) will be called "security document" from here on.

2. Seller has sold and conveyed (or is about to sell and convey) to Buyer, all, or a portion, of the property described in the security document. Both Seller and Buyer have asked Lender to release Seller from further liability under or on account of the security document. The property being sold by Seller and bought by Buyer is specifically described as follows:

FOR THE REASONS SET FORTH ABOVE, AND IN CONSIDERATION OF THE MUTUAL AGREEMENTS OF THE PARTIES, SELLER, LENDER, AND BUYER AGREE AS FOLLOWS:

SECTION 1. UNPAID BALANCE OF SECURED OBLIGATION

The unpaid balance on the loan being assumed is \$ 25,504.34 as of June 28, 19 85

SECTION 2. RELEASE FROM LIABILITY

Seller is hereby released from further liability under or on account of the security document.

SECTION 3. ASSUMPTION OF LIABILITY

Except as specifically changed by this Agreement, Buyer agrees to pay the debt shown by the security document. Buyer agrees to perform all of the obligations provided in the security document that were to be performed by Seller when the security document was executed. Buyer agrees to perform those obligations at the time, in the manner, and in all respects as are provided in the security document. Buyer agrees to be bound by all of the terms of such security document.

(tumble)

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SECTION 4. INTEREST RATE AND PAYMENTS

The interest rate is Fixed (indicate whether variable or fixed) and will be 11.00 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 \$ 272 to be paid monthly. (The payment will change if interest rate is variable and the interest rate changes.)

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.

SECTION 5. DUE ON SALE **

Buyer agrees that the balance of this loan is immediately due and payable in full, if after July 20, 1983, there is a second sale or other transfer of all or part of the property securing this loan. However, transfer or sale to the original borrower, the surviving spouse, unmarried 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 does not count as a sale or transfer for purposes of the provisions of this paragraph.

** This law has been suspended until July 1, 1987. Any transfer of a property between July 3, 1985, and July 1, 1987, will not be counted as a transfer under the 1983 "Due on Sale" law. However, transfers that occurred between July 20, 1983, and July 2, 1985, may become due on sale with the next transfer after July 1, 1987.

SECTION 6. INTERPRETATION

In this agreement, the singular number includes the plural and the plural number includes the singular. If this agreement is executed by more than one person, firm, or corporation as Buyer, the obligations of each such person, firm, or corporation shall be joint and several.

SECTION 7. LIMITATIONS

To the full extent permitted by law, Buyer waives the right to plead any statute of limitations as a defense to any obligations and demands secured by or mentioned in the security document.

BUYER

Crystal Ray

SELLER

Jay S. McCormick

BUYER

Donald Jay

SELLER

Linda Watson

STATE OF OREGON

COUNTY OF Klamath

ss

August 15, 1985

Personally appeared the above named CRYSTAL J. RAY and DONALD RAY
and acknowledged the foregoing instrument to be his (their) voluntary act and deed.

Before me:

Kristi L. Redd

Notary Public For Oregon

My Commission Expires: 11/16/87

STATE OF OREGON

COUNTY OF Klamath

ss

August 15, 1985

Personally appeared the above named JAY S. MC CORMICK and LINDA WATSON
and acknowledged the foregoing instrument to be his (their) voluntary act and deed.

Before me:

Kristi L. Redd

Notary Public For Oregon

My Commission Expires: 11/16/87

Signed this 9th

day of

August

19 85

DIRECTOR OF VETERANS' AFFAIRS - Lender

By:

Curt R. Schnepf

Manager, Accounts Services

STATE OF OREGON

COUNTY OF Marion

ss

August 9, 1985

Personally appeared the above named Curt R. Schnepf
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:

Eugene M. Mooney

Notary Public For Oregon

My Commission Expires: 3/16/87

FOR COUNTY RECORDING INFORMATION ONLY

AFTER SIGNING/RECORDING, RETURN TO:

DEPARTMENT OF VETERANS' AFFAIRS
OREGON VETERAN'S BUILDING
700 Summer St. NE
Salem, Oregon 97310-1201

A piece or parcel of land lying in Tract 26 of HOMEDALE, according to the official plat thereof on file in the office of the County Clerk of Klamth County, Oregon, and being more particularly described as follows:

Beginning at a point on the Easterly line of Tract 26 of HOMEDALE, which is North 0° 07' East a distance of 194.3 feet from the Southeast corner of said Tract 26; thence North 89° 15' West along the Northerly line of property described in Deed Volume 312, page 409, a distance of 90.7 feet to an iron pin; thence North 43° 30' West along said Northerly line a distance of 70.0 feet to an iron pin; thence North 46° 30' East a distance of 32 feet to an iron pin; thence South 84° 43' East a distance of 116.09 feet to an iron pin on the Easterly line of said Tract 26; thence South 0° 07' West along the Easterly line of said Tract 26 a distance of 63.5 feet to the point of beginning.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of _____ the 16th day
of August A.D., 19 85 at 11:14 o'clock A M., and duly recorded in Vol. M85,
of Mortgages on Page 12944.

FEE

\$13.00

Evelyn Biehn

County Clerk

By

Pam Smith