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DEPARTMENT OF VETERANS' AFFAIRS

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ASSUMPTION AGREEMENTP20444  
Loan NumberDATE: February 19, 1986PARTIES: James M. McCracken BUYERPhillip A. Harbin, Jr. and Margaret L. Harbin, 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 \$ 58,000.00 dated August 31, 19 79, 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 M79 Page 20965 on August 31, 19 79

(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:

A tract of land situated in Block 3, HODGES ADDITION TO MERRILL and in Tract 18, MERRILL TRACTS, in the SW<sup>1</sup>/<sub>4</sub>SE<sup>1</sup>/<sub>4</sub> of Section 2, Township 41 South Range 10 East of the Willamette Meridian, in the County of Klamath, State of Oregon, more particularly described as follows:

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Beginning at a one-half inch iron pin on the Northeast corner of Block 3, HODGES ADDITION TO MERRILL; thence South 00° 25' East along the East line of said Block 3 a distance of 125.00 feet to a one-half inch iron pin; thence West parallel with the South line of said Tract 18, MERRILL TRACTS, a distance of 120.00 feet to a one-half inch iron pin; thence North 00° 25' West a distance of 125.00 feet to a one-half inch iron pin on the Westerly extension of the South line of Third Street, HODGES ADDITION TO MERRILL; thence East along said line a distance of 120.00 feet to the point of beginning, subject to an easement for the construction and maintenance of future public utilities, irrigation and drainage along the Southerly 8 feet thereof.

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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 \$ 53,634.83 as of February 6, 19 86.

#### 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.

#### SECTION 4. INTEREST RATE AND PAYMENTS

The interest rate is Variable (indicate whether variable or fixed) and will be 9.86 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 \$ 481 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

James M. McCracken  
James M. McCracken

SELLER

Phillip A. Harbin, Jr.  
Phillip A. Harbin, Jr.

BUYER

SELLER

Margaret L. Harbin  
Margaret L. Harbin

STATE OF OREGON

COUNTY OF

Klamath

ss

March 7

19 86

Personally appeared the above named PHILLIP A. HARBIN, JR. and MARGARET L. HARBIN and acknowledged the foregoing instrument to be his (their) voluntary act and deed.

Before me:

Kristi L. Ridd  
Kristi L. Ridd

Notary Public For Oregon

My Commission Expires: 11/16/87

STATE OF OREGON

COUNTY OF

Klamath

ss

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Personally appeared the above named James M. McCracken and acknowledged the foregoing instrument to be his (their) voluntary act and deed.

Before me:

Linda Steller  
Linda Steller

Notary Public For Oregon

My Commission Expires: 7/13/89

Signed this 19 th day of February, 19 86

DIRECTOR OF VETERANS' AFFAIRS - Lender

By

Curt R. Schnepf  
Curt R. Schnepf

Manager, Accounts Services

STATE OF OREGON

COUNTY OF

Marion

ss

February 19

19

86

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.

STATE OF OREGON, ss.  
County of Klamath

Filed for record at request of:

on this 9th day of April A.D., 19 86  
at 11:22 o'clock A M. and duly recorded  
in Vol. M86 of Mtges. Page 5896

Evelyn Biehn,

By

County Clerk

Deputy.

Fee, \$13.00

Before me:

Evelyn Biehn  
Evelyn Biehn

Notary Public For Oregon

My Commission Expires: 3/16/87

AFTER SIGNING/RECORDING, RETURN TO:

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