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DEPARTMENT OF VETERANS' AFFAIRS

*MTL-18242K*  
ASSUMPTION AGREEMENT

M95249

Loan Number

DATE: July 29, 1987

PARTIES: Claude W. Cross and Virginia R. Cross, husband and wife BUYER

Aaron E. Abts and Lois M. Abts, husband and wife SELLER

LENDER

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

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  
(Tax Account No. 0174233 R)

THE PARTIES STATE THAT:

1. Seller owes Lender the debt shown by:

(a) A note in the sum of \$ 42,500.00 dated August 22, 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 XXXXXX M78 Page 18661 on August 22, 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:

Lots 17, 18, 19 and 20, Block 14, MOUNTAIN VIEW ADDITION TO THE CITY OF KLAMATH FALLS, in the County of Klamath, State of Oregon, EXCEPT that portion of said property lying below a depth of 500 feet as referred to in Deed recorded 7-3-74 in M-74 at page 8233, from Oregon, California and Eastern Railroad Company.

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 35,883.96 as of June 30, 19 87

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)

SECTION 4. INTEREST RATE AND PAYMENTS

The interest rate is Variable (indicate whether variable or fixed) and will be 8.59 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 \$ 301 to be paid monthly. (The payment will change if interest rate is variable and the interest rate changes.)

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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 407.075 to 407.595 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, 1989. Any transfer of a property between July 3, 1985, and July 1, 1989, 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, 1989.

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 Claude W. Cross  
Claude W. Cross

SELLER Aaron E. Abts  
Aaron E. Abts

BUYER Virginia R. Cross  
Virginia R. Cross

SELLER Lois M. Abts  
Lois M. Abts

STATE OF OREGON

COUNTY OF Klamath ) ss

Personally appeared the above named CLAUDE W. CROSS and VIRGINIA R. CROSS and acknowledged the foregoing instrument to be theirs (their) voluntary act and deed. August 27, 19 87

STATE OF OREGON

COUNTY OF Klamath ) ss

Personally appeared the above named AARON E. ABTS and LOIS M. ABTS and acknowledged the foregoing instrument to be theirs (their) voluntary act and deed. August 28, 19 87

Before me: Kristi L. Redd

My Commission Expires: 11/16/87 Notary Public For Oregon

Before me: Kristi L. Redd

My Commission Expires: 11/16/87 Notary Public For Oregon

Signed this 29th day of July, 19 87

DIRECTOR OF VETERANS' AFFAIRS - Lender

By: Curt R. Schnepf  
Curt R. Schnepf  
Manager, Accounts Services

STATE OF OREGON

COUNTY OF Marion ) ss

July 29

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. 19 87

Before me: Evelyn M. Mooney

My Commission Expires: 3/16/91 Notary Public For Oregon

FOR COUNTY RECORDING INFORMATION ONLY

STATE OF OREGON,  
County of Klamath ss.

Filed for record at request of:

Mountain Title Company  
on this 28th day of August A.D., 19 87  
at 11:22 o'clock A M. and duly recorded  
in Vol. M87 of Mtges. Page 15602  
Evelyn Biehn, County Clerk  
By Ann Smith Deputy.

Fee, \$9.00

AFTER SIGNING/RECORDING, RETURN TO:

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