



Department of Veterans' Affairs

P65288

Loan Number

MTC 23736-K

## ASSUMPTION AGREEMENT

DATE: July 5, 1990PARTIES: Moses D. Davis and Pauline F. Davis, husband and wife

BUYER

Daniel L. Morrison and Barbara A. Morrison

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: Moses D. Davis(Tax Account No. 0791566R  
0701609M)Route 3 Box 394 BA

Mailing Address

Klamath Falls, OR 97601

City State Zip

## THE PARTIES STATE THAT:

1. Seller owes Lender the debt shown by:

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

(b) A note in the sum of \$ 33,209.00 dated December 23, 19 83, which note is secured by a Trust Deed of the same date and recorded in the office of the county recording officer of Klamath county, Oregon, in Volume/Reel/Book \_\_\_\_\_ on January 4, 19 84(c) A note in the sum of \$ 18,615.00 dated June 1, 19 81, 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:

See attached EXHIBIT "A"

## EXHIBIT "A"

The following described real property situate in Klamath County, Oregon:

A parcel of land lying in Section 32, Township 39 South, Range 8 East of the Willamette Meridian, being a portion of that real property described in Volume 259 page 659, Deed records of Klamath County, Oregon, said parcel more particularly described as follows:

Starting at a steel stake set in a mound of stone, which stake marks the Northeast corner of the SE $\frac{1}{4}$  of the SW $\frac{1}{4}$  of Section 29, Township 39 South, Range 8 East of the Willamette Meridian; thence North 89°19.9' West 368 feet to a fence corner; thence South 6°21' East 2571.58 feet to a steel stake set in a fence line, which steel stake is the true place of beginning of this description; thence North 74°20.9' East 665.09 feet to a steel stake; thence South 4°11.3' East 317.41 feet to a steel stake; thence South 70°51.4' West 660.79 feet (previously called South 70°45'55" West 660.53 feet) to a steel stake set in a fence line; thence North 6°21' West 356 feet along a wall established fence line to the true point of beginning.

NOTE: There is an easement appurtenant to the property being insured on which no examination has been made. Said easement will not be insured, but should be included in the forthcoming conveyance. Easement is described as follows:

Together with the non-exclusive right of ingress and egress across a 60 foot strip of land more particularly described as follows:

Starting at the steel stake which mark the Northeast corner of the above described parcel; thence South 4°11.3' East 317.41 feet along the Easterly line of the above described parcel to an iron pin; thence South 4°11.3' East 546.30 feet to a steel stake lying on the Northerly right of way line of Oregon Highway 66 as constructed; thence North 72°56.4' East 30.77 feet along said right of way line to a steel stake; thence North 72°56.4' East 30.77 feet along said right of way line to a steel stake; thence North 4°11.3' West 862.06 feet to a steel stake; thence South 74°20.9' West 30.61 feet to a steel stake; thence South 74°20.9' West 30.61 feet to the place of beginning of this description.

TOGETHER WITH THE FOLLOWING DESCRIBED MOBILE HOME WHICH IS FIRMLY AFFIXED TO THE PROPERTY: Year/1981, Make/Rex/Kozy, Serial Number/ME 2955 AB, Size/24x48.

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 \$ 40,373.33 as of June 13, 19 90.

#### 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 10.75 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 \$ 536 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

Except for a sale or transfer 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 this chapter and Article XI-A of the Oregon Constitution, only one sale or transfer of the property referred to in ORS 407.275 (2) is permitted after July 20, 1983. In the event of a second sale or transfer of the property, or any part thereof, the entire unpaid balance of the loan for the property may become immediately due and payable at the discretion of the Director as prescribed by rule.

#### SECTION 6. TAX AND INSURANCE RESERVES

Subject to any limitations set by applicable law, at the Lender's discretion, or by Oregon Revised Statute, the Buyer shall maintain—with Lender—reserves for payment of taxes, assessments, and insurance if applicable. Such reserves shall be created by Buyer's advance payment or monthly payments of a sum estimated by Lender to be sufficient to produce, at least 15 days before due, amounts at least equal to the taxes and assessments to be paid. The amount of such monthly payment would be approximately 1/12 of the annual property taxes. Buyer shall pay on demand any additional amount which may be deemed necessary for the payment of such taxes, assessments, and insurance premiums. If, 15 days before payment is due, the reserve funds are insufficient, Buyer shall, upon demand, pay any deficiency to Lender. The reserve funds shall be held by Lender as a general deposit from Buyer and shall constitute a non-interest bearing debt from Lender to Buyer, which Lender may satisfy by payment of the taxes and assessments and insurance premiums required to be paid by Buyer as they become due. Lender does not hold the reserve funds in trust for Buyer, and Lender is not the agent of Buyer for payment of the taxes, assessments, and insurance premiums required to be paid by Buyer.

#### SECTION 7. LATE PAYMENT

If the Lender has not received the full amount of any payment by the end of 30 calendar days after the date it is due, he may impose a late charge to the Buyer. The amount of the charge will be not more than 5 percent of the overdue payment of principal and interest. The late charge may be charged only once on any late payment.

#### SECTION 8. AMORTIZATION

The Lender may increase payments of principal and other payment terms of the loan when the balance of the loan will not amortize within the terms of the security document.

#### SECTION 9. 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 the person, firm, or corporation as Buyer, the obligations of each such person, firm, or corporation shall be joint and several.

#### SECTION 10. 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. Failure to exercise any of these rights shall not constitute a waiver.

BUYER Moses D. Davis

Moses D. Davis

BUYER Pauline F. Davis

Pauline F. Davis

SELLER Daniel L. Morrison

Daniel L. Morrison

SELLER Barbara A. Morrison

Barbara A. Morrison

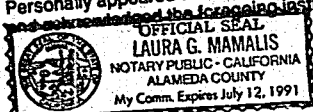
14769

STATE OF ~~OREGON~~ CALIFORNIACOUNTY OF Alameda

} ss

July 13, 19 90Personally appeared the above named DANIEL L. MORRISON and BARBARA A. MORRISON  
and acknowledged the foregoing instrument to be his (their) voluntary act and deed.

Before me:

Louise S. Morrison  
My Commission Expires: 7-12-91 Notary Public For Oregon /California

STATE OF OREGON

COUNTY OF Klamath

} ss

July 18, 19 90Personally appeared the above named MOSES D. DAVIS and PAULINE F. DAVIS  
and acknowledged the foregoing instrument to be his (their) voluntary act and deed.

Before me:

Kristen L. Redd  
My Commission Expires: 11/16/91 Notary Public For OregonSigned this 5th day of July, 19 90

DIRECTOR OF VETERANS' AFFAIRS - Lender

By:

Curt R. Schnepf  
Manager, Accounts Services

STATE OF OREGON

COUNTY OF Marion

} ss

July 5, 19 90Personally 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:

Judy Williams  
My Commission Expires: 05/22/93 Notary Public For Oregon

FOR COUNTY RECORDING INFORMATION ONLY

STATE OF OREGON, ss.  
County of Klamath

Filed for record at request of:

Mountain Title Co.  
on this 24th day of July, A.D., 19 90  
at 3:33 o'clock P M. and duly recorded  
in Vol. M90 of Mortgages Page 14766  
Evelyn Biehn County Clerk  
By Louise Mullendore Deputy.

Fee, 23.00

AFTER SIGNING/RECORDING, RETURN TO:

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

P65288

Loan Number

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