

PREPARED BY:

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0016107658

ASSUMPTION AND RELEASE OF LIABILITY AGREEMENT

AGREEMENT, made this **6TH** day of **OCTOBER**, **2000**, between
ALTA V. MARKT and CARY L. DUNCAN (the "Transferor");
ALTA V. MARKT, AN INDIVIDUAL (the "Transferee"); and
FIRST HORIZON HOME LOAN CORPORATION (the "Mortgagee");

WITNESSETH:

WHEREAS:

A Note in the principal sum of \$ **73,466.00** was executed on **082198**,
and delivered unto **FIRST HORIZON HOME LOAN CORPORATION** for payment
of this sum together with interest at the rate and upon the terms as more fully set forth in the Note; and

A Deed of Trust/Mortgage/Security Deed ("Security Instrument") was also executed, acknowledged and
delivered of even date therewith, which Security Instrument was recorded in
VOLUME M98, PAGE 30892 of **KLAMATH** County,
OREGON, and which Security Instrument covered the premises described as follows:
LOTS 22 AND 23 IN BLOCK 1 OF HOMELAND TRACTS, ACCORDING TO THE OFFICIAL
PLAT THEREOF ON FILE IN THE OFFICE OF THE COUNTY CLERK OF KLAMATH COUNTY,
OREGON.

Mortgagee is the holder or is acting on behalf of the holder of the Note and Security Instrument and
subsequent modifications thereof, if any (collectively the "Mortgage").

Transferor agrees and acknowledges that Transferor is obligated for repayment of same; and

Transferor is about to convey the premises described above to Transferee, and Transferee desires to assume
payment of the Mortgage; and

Transferor and Transferee have requested the Mortgagee to release Transferor from the obligation to pay
the principal sum of the Mortgage and interest thereon, and to accept Transferee as the primary obligor to pay the
remaining indebtedness set forth below.

NOW, THEREFORE, in consideration of the mutual promises of the Parties hereto and other good and
valuable consideration, the receipt of which is hereby acknowledged, the Parties do hereby covenant and agree as
follows:

1. Mortgagee agrees not to exercise its right to declare all sums secured by the Mortgage to be
immediately due and payable by reason of the anticipated transfer.

2. Mortgagor unequivocally accepts Transferee as the primary obligor to pay the remaining
indebtedness as set forth below.

3. Transferee does hereby assume all obligations under the Mortgage and further assumes and agrees
to pay the principal sum of the indebtedness evidenced by the Mortgage which has a current principal balance of
\$ **68,347.00**, together with interest thereon at the present rate of **7.000** % per annum,
in equal monthly installments of \$ **488.78**, including interest, on the first day of each month beginning
NOVEMBER 1, 2000, together with any amounts required for escrow deposits all as set forth in the
Mortgage. A final installment equal to the entire remaining indebtedness of the obligation shall be due and payable
on **FEBRUARY 1, 2025**. Subsequent to this Assumption and Release of Liability Agreement,
adjustments to the interest rate and payment amount, if any, shall be made according to the terms of the Mortgage or
this Agreement. A copy of the Note and subsequent modifications thereof, if any, are attached hereto and made a
part hereof for all purposes.

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4. Transferor hereby relinquishes and transfers to Transferee all Transferor interest in any monies which may be held by Mortgagee as escrow deposits for the purposes of application to taxes, assessments, fire, or other insurance premiums, or any other purposes for which deposits are being required by Mortgagee. Transferee assumes the liability for payment of any unpaid taxes, assessments, fire, or other insurance premiums and agrees to continue making monthly deposits for such purposes if required by Mortgagee.

5. Mortgagee does hereby relieve and release Transferor of and from any and all further liability or obligation to make the payments provided for pursuant to the terms of the Mortgage. Mortgagee hereby agrees that it will not institute any action, suit, claim or demand in law or in equity against Transferor for or on account of the indebtedness secured by the Mortgage nor on account of any failure of performance of any of the covenants or terms of the Mortgage. It is expressly understood and agreed by the Parties hereto that this Agreement shall not be deemed to be or construed as a release of the indebtedness nor shall anything herein contained in any manner or form impair the validity or priority of the lien of the Mortgage.

6. There are no offsets or defenses to the Mortgage or to the amount of the debt as hereinbefore set forth.

7. Except as modified by this Agreement, all the provisions of Mortgage are and shall remain in full force and effect and shall be performed by Transferee as if these agreements had been originally executed by Transferee.

8. This Agreement shall be binding upon and insure to the benefit of the Parties hereto, their legal representatives, heirs, administrators, executors, successors and assigns.

IN THE EVENT this Agreement is not executed by Transferor, Transferee is nevertheless bound by this Agreement.

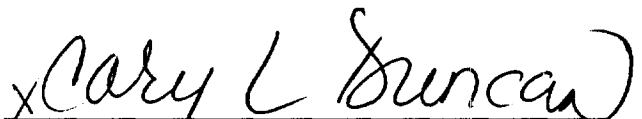
IN WITNESS WHEREOF, the undersigned parties have executed this Assumption and Release of Liability Agreement.

Transferee:


ALTA V. MARKT

Transferor:


ALTA V. MARKT


CARY L. DUNCAN

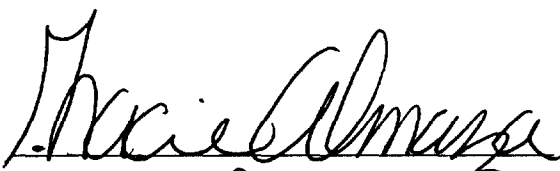
Witnesses to Transferee:

Witnesses to Transferor:

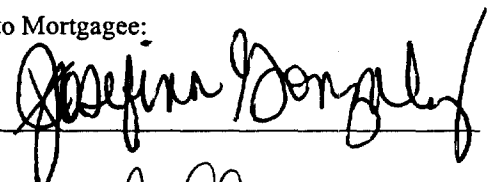
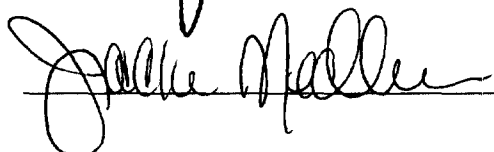
Mortgagee:

FIRST HORIZON HOME LOAN CORPORATION

By:


Vice-President

Witnesses to Mortgagee:

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INDIVIDUAL ACKNOWLEDGMENTS

STATE OF OREGON }
COUNTY OF Klamath }

On this 6th day of October, 2000, before me personally appeared ALTA V. MARKT to me known to be the person(s) described in and who executed the foregoing instrument, and acknowledged that she executed the same as her free act and deed.



Marlene T. Addington
Notary Public
Marlene T. Addington
(Printed Name)

My commission expires: 3-22-01

STATE OF California }
COUNTY OF Modoc }

On this 10th day of October, 2000, before me personally appeared Cary L. Duncan to me known to be the person(s) described in and who executed the foregoing instrument, and acknowledged that she executed the same as her free act and deed.



L A Freeman
Notary Public
L A Freeman
(Printed Name)

My commission expires: 8-21-01

CORPORATE ACKNOWLEDGMENTS

STATE OF TEXAS }
COUNTY OF DALLAS }

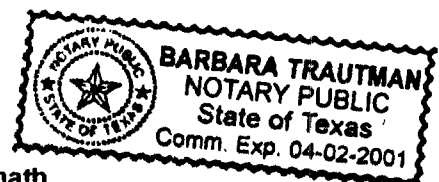
On this 4th day of Oct, 2000, before me appeared GRACIE ALMANZA Vice President to me personally known, who, being by me duly sworn, did say that he/she is the of FIRST HORIZON HOME LOAN CORPORATION

and that the seal affixed to the foregoing instrument is the corporate seal of the corporation, and that the instrument was signed and sealed in behalf of the corporation by authority of its board of directors, and said _____ acknowledged the instrument to be the free act and deed of the corporation.

Barbara Trautman
Notary Public
BARBARA TRAUTMAN
(Printed Name)

My commission expires: 04-02-2001

RETURN TO: First Horizon Home Loan Corporation
4000 Horizon Way
Irving, Texas 75063
ATTN: ASSUMPTION DEPT.



State of Oregon, County of Klamath
Recorded 10/11/00, at 2:41 p m.
In Vol. M00 Page 37112
Linda Smith,
County Clerk Fee\$ 31.00