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Peoples Mortgage Co.
P.O. Box 1788
Seattle, WA 98111

Property address: 1021 McKinley
Klamath Falls, OR 97601

Attn: Assumption Department

SUBSTITUTION AGREEMENT

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THIS AGREEMENT, dated this 24th day of June, 1980,
by and between the Housing Peoples Mortgage Company, Department of Assumption, State of Oregon (herein
referred to as Beneficiary), David L. Gibson and Alisa A. Gibson (herein
(herein referred to as Grantor), and Mark D. Foster, a single person
(herein referred to as Purchaser), WITNESSETH: Assumed by David Alisa Gibson

WHEREAS, under date of May 21, 1980, the Grantor
executed and delivered to PEOPLES MORTGAGE COMPANY
as original Beneficiary, a promissory note for the principal sum of \$ 24,750.00,
together with interest thereon and also delivered to said original Beneficiary Deed of
Trust of even date therewith to secure said note and indebtedness which Deed of Trust
is on the following described real property situate in the County of Klamath,
State of Oregon, to-wit: All of lot "H" in block 69 of Nichols Add. to the city
of Klamath Falls, and A 10 foot strip off the southwesterly side of lot "A" in
said block 69, said ten foot strip adjoining lot "H"

and was recorded on the 24th day of June, 1980, at
Page 10180 of Book M-80 Mortgage Records of said County and State; and

WHEREAS, Grantor has sold and conveyed or is about to sell and convey the
property to the Purchaser upon the condition that the Purchaser shall assume payment
of the entire Deed of Trust indebtedness; and,

WHEREAS, said note and Deed of Trust are now owned by Beneficiary, and the
Grantor and Purchaser have requested Beneficiary to release Grantor from all liability
upon the indebtedness evidenced by said note and Deed of Trust and in lieu thereof
to accept as liable therefor the Purchaser who by this agreement assumes the liability
of the original makers and grantors thereunder;

NOW THEREFORE, in consideration of the mutual covenants herein and One
Dollar (\$1.00) and other valuable consideration, receipt whereof is acknowledged by
all parties, IT IS HEREBY AGREED:

1. Purchaser (both jointly and severally if more than one) hereby assumes
said Deed of Trust and agrees to pay the indebtedness evidenced and secured thereby
of which the unpaid principal balance after payment of the installment due
12-07-87 is agreed to be Twenty Three Thousand Eighty-Two and
Dollars (\$ 23,082.23), and Purchaser further agrees to abide by and perform 23/10
all terms and conditions of the note and Deed of Trust as though Purchaser had
originally executed the same as maker and grantor.

2. In consideration of said assumption and subject to the terms hereof,
Beneficiary does hereby release and discharge the Grantor from all liability for
the indebtedness evidenced by said note (and Deed of Trust).

3. Notwithstanding anything herein to the contrary, this agreement shall
not affect or impair any representation in regard to and/or warranty of title here-
before made by the original Grantor, all of which shall remain in force and inure to
the benefit of the Beneficiary and any insurer of the title to said property or the
lien of the Deed of Trust thereon.

4. In the event there is any judgment lien, or lien of any kind,
encumbrance, right, title, or interest against or in said property in favor of any
party or parties not a party hereto as of the effective date of this agreement, or
in the event the property has not as of said date been duly conveyed by the Grantor
to the Purchaser, the release of the Grantor above stipulated shall be of no force
or effect.

5. Grantor hereby assigns to Purchaser any and all right, title or
interest of Grantor in any funds paid or which may be paid by Grantor to Beneficiary
and in any refunds, returned premiums, rebates or other forms of credit made, in
connection with the accumulation of trust funds for payment of the mutual
mortgage insurance premiums, ground rents, taxes and assessments and hazard insurance
renewal premiums as provided in the mortgage contract.

6. All references herein to parties in the singular shall include each
and all parties designated by the reference and the covenants hereof shall apply
both jointly and severally.

7. The release and discharge of Grantor from all liability for the
indebtedness shall not be binding if such release and discharge in any manner invali-
dates the mutual mortgage insurance of the Federal Housing Administration or private
mortgage insurance company.

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the laws of the State of Oregon. This agreement shall be construed and take effect in accordance with

OREGON HOUSING AGENCY

Oregon Housing Agency, Housing Division, Department of Commerce, State of Oregon, Beneficiary

By H Jack Duncan Authorized Signature

David L. Gibson Grantor
Alisa A. Gibson

Mark D. Foster Purchaser

STATE OF OREGON
COUNTY OF MARION

On 12/9/87 before me, the undersigned, a Notary Public in and for said County and State, personally appeared MARK D FOSTER & DAVID L GIBSON known to me to be the Manager of the Housing Division Single Family Mortgage Purchase Program executed the within Instrument on behalf of the Housing Division, Department of Commerce, State of Oregon, therein named and acknowledged to me that such Agency executed the within Instrument.

WITNESS MY HAND AND OFFICIAL SEAL.

Samela J. Spencer
Notary Public in and for said County and State

My commission expires 8/16/88

STATE OF OREGON
COUNTY OF Klamath

BE IT REMEMBERED, That on this 9th day of Dec, 1987, before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within named DAVID L GIBSON & ALISA A GIBSON & MARK D FOSTER known to me to be the indential individual described in and who executed the within Instrument and acknowledged to me that they executed the same freely and voluntarily.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal this day and year last above written.

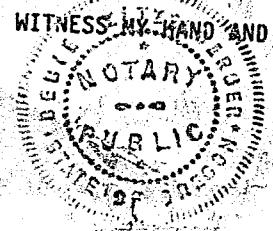
Samela J. Spencer
Notary Public in and for said County and State

My commission expires 8/16/88

STATE OF OREGON)
COUNTY OF MARION) SS

On August 17 1987 before me, the undersigned, a Notary Public in and for said County and State, personally appeared H Jack Duncan known to me to be the Loan Servicer of the Single-Family Mortgage Purchase Program, State of Oregon, executed the within Instrument on behalf of the Oregon Housing Agency, State of Oregon, therein named and acknowledged to me that such Agency executed the within Instrument.

WITNESS MY HAND AND OFFICIAL SEAL.



Debbie Stalburger
Notary Public in and for said County and State

My commission expires: 12/29/89

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STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Mountain Title Company the 11th day
of December A.D., 19 87 at 3:10 o'clock P M., and duly recorded in Vol. M87
of Mortgages on Page 22271

FEE \$15.00

Evelyn Biehn,
By Ram Smith County Clerk