

MTC 1396-1462  
SUBSTITUTION AGREEMENT

Vol. M99 Page 48327

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Residential Loan Program  
Oregon Housing and Community Services Department  
State of Oregon

THIS SUBSTITUTION AGREEMENT (herein referred to as this Agreement), dated NOVEMBER 9, 1999,  
by and between the Oregon Housing and Community Services Department, State of Oregon (herein referred to as  
Beneficiary), CAROLYN VECCHI AND SEAN GILLIHAN (herein referred to as Grantor),  
and CAROLYN VECCHI (herein referred to as Purchaser).

WITNESSETH:

WHEREAS, under date of JULY 29, 1996, Grantor executed and delivered to SOUTH  
VALLEY STATE BANK as original beneficiary, a promissory note (herein referred to as the  
Note) for the principal sum of \$ 56,300.00, together with interest thereon and a Deed of Trust of the same date  
therewith to secure the Note and indebtedness which the Deed of Trust is on the following described real property located  
in KLAMATH County, Oregon:  
SEE ATTACHED "EXHIBIT A"

which has the address of: 328 ROGERS STREET, KLAMATH FALLS, OR 97601 (Property Address), and was  
recorded on JULY 30, 19 96, in book/PATK M96, page 23043, or as fee no.       
     of the Mortgage Records of said County and State; and

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

WHEREAS, the Note and Deed of Trust are now owned by Beneficiary, and Grantor and Purchaser have requested  
Beneficiary to release Grantor from all liability upon the indebtedness evidenced by the Note and Deed of Trust and in lieu  
thereof to accept as liable therefore 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 hereby assumes the Note and 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 11-01-99 is agreed  
to be FIFTY-FOUR THOUSAND THREE HUNDRED dollars (\$ 54,300.00), and Purchaser further  
agrees to abide by and perform all terms and conditions of the Note and Deed of Trust as though Purchaser had  
originally executed the same as 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 the 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 heretofore made by the original grantor, all of which shall remain in force and insure 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 said property has not as of said date been duly conveyed by Grantor to Purchaser, the release of 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 invalidates the mutual mortgage insurance of the Federal Housing Administration, Rural Development, or private mortgage insurance company.
8. This Agreement shall be construed and take effect in accordance with the laws of the State of Oregon.

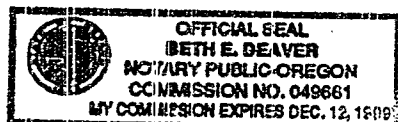
*Carolyn Vecchi*  
Purchaser CAROLYN VECCHI

\_\_\_\_\_  
Purchaser

STATE OF OREGON )  
County of Klamath ) ss

BE IT REMEMBERED, that on this 9th day of November, 19 99, before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within named Carolyn Vecchi, known to me to be the identical individual described in and who executed the within Instrument and acknowledged to me that she executed the same freely and voluntarily.

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



*Beth E. Deaver*  
Notary Public in and for said County and State

My Commission expires: 12-12-99

48329

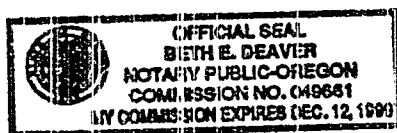
Grantor CAROLYN VECCHI

Grantor SEAN GILLIHAN

STATE OF Oregon  
County of Clatsop ss

BE IT REMEMBERED, that on this 4th day of November, 1999, before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within named Carolyn Vecchi and Sean Gillihan, known to me to be the identical individual described in and who executed the within Instrument and acknowledged to me that they executed the same freely and voluntarily.

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



Beth E. Deaver  
Notary Public in and for said County and State

My Commission expires: 12-12-99

BENEFICIARY: Oregon Housing and Community Services Department, State of Oregon

By Kari Cleveland  
Authorized Signature

STATE OF OREGON )  
County of Marion ) ss

On NOV 23 1999 before me, the undersigned, a Notary Public in and for said County and State, personally appeared Kari Cleveland, known to me to be the Authorized Signer of the Residential Loan Program, State of Oregon, executed the within Instrument on behalf of the Oregon Housing and Community Services Department State of Oregon, therein named and acknowledged to me that such Department executed the within Instrument.

WITNESS MY HAND AND OFFICIAL SEAL.



Craig E. Tillotson  
Notary Public in and for said County and State

My Commission expires: 6-9-2001

After recording return to:

SOUTH VALLEY BANK & TRUST

P O BOX 5210 - ATTN: BETH

KLAMATH FALLS, OR 97601

## EXHIBIT "A"

A portion of Lot 2, Section 32, Township 38 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon, formerly known as Lot 13, Block 8, LAKESIDE ADDITION TO THE CITY OF KLAMATH FALLS, more particularly described as follows:

Beginning at the Southeast corner of Lot 4, Block 8, LAKESIDE ADDITION TO THE CITY OF KLAMATH FALLS, OREGON; thence South 480 feet for the true point of beginning; thence South 60 feet; thence West 100 feet; thence North 60 feet; thence East 100 feet to the point of beginning.

AMERITITLE, has recorded this  
Instrument by request as an accommodation only,  
and has not examined it for regularity and sufficiency  
or as to its effect upon the title to any real property  
that may be described therein.

State of Oregon, County of Klamath  
Recorded 12/08/99, at 11:42a.m.  
In Vol. M99 Page 48327  
Linda Smith,  
County Clerk Fee \$ 25<sup>00</sup>