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SUBSTITUTION AGREEMENT / Trust deed

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

Vol M00 Page 31515

THIS SUBSTITUTION AGREEMENT (herein referred to as this Agreement), dated August 1, 2000,
by and between the Oregon Housing and Community Services Department, State of Oregon (herein referred to as
Beneficiary), Jesus V. Reyes & Maria G. Reyes (herein referred to as Grantor),
and Jesus V. Reyes (herein referred to as Purchaser).

WITNESSETH:

WHEREAS, under date of June 11, 1993, Grantor executed and delivered to Plaza
Mortgage, Inc. as original beneficiary, a promissory note (herein referred to as the
Note) for the principal sum of \$ 65,405.00, 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:
LOT 5, BLOCK 4, Tract No. 1087, First Addition to Banyon Park, according
to the official plat thereof on file in the office of the County Clerk
of Klamath County, Oregon.

which has the address of: 4614 Alpine Drive, Klamath Falls, OR 97603 (Property Address), and was
recorded on June 23, 19 93, in book/reel M93, page 14822, or as fee no. 63487
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 09/01/2000 is agreed
to be fifty six thousand one * dollars (\$ 56,129.92), 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.
* hundred twenty nine and ninety two cents
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.

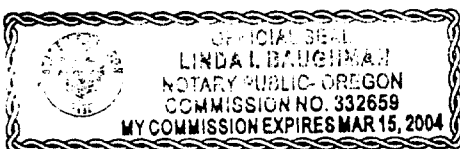
3. Notwithstanding anything herein to the contrary, this Agreement shall not affect or impair any representation in regard to and/or warranty of title heretofore made by the original grantor, all of which shall remain in force and insure to the benefit of the Beneficiary and any insurer of the title 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.

Purchaser**Purchaser**

STATE OF OREGON)
County of Klamath) ss

BE IT REMEMBERED, that on this 25 day of August, ~~19~~ 2000, before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within named Jesus v. Reyes, known to me to be the identical individual described in and who executed the within Instrument and acknowledged to me that he 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.



Notary Public in and for said County and State

My Commission expires: 3-15-04

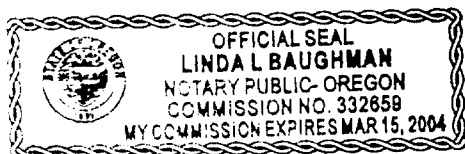
[Signature]
Grantor

Maria J. Reyes
Grantor

STATE OF Oregon)
County of Klamath) ss

BE IT REMEMBERED, that on this 25 day of August /192000, before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within named Jesus V. Reyes & Maria G. Reyes, 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.



[Signature]
Notary Public in and for said County and State

My Commission expires: 3-15-04

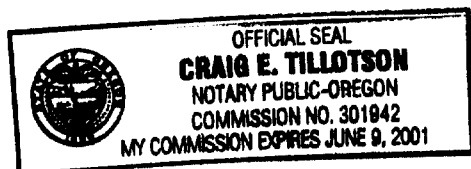
BENEFICIARY: Oregon Housing and Community Services Department, State of Oregon

By: [Signature]
Authorized Signature

STATE OF OREGON)
County of Marion) ss

On August 2, 2000 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.



[Signature]
Notary Public in and for said County and State

My Commission expires: 6-9-2001

After recording return to:

HomeStreet Bank
2000 Two Union Square
601 Union Street
Seattle, WA 98101-2326

State of Oregon, County of Klamath
Recorded 08/28/00, at 2:22 p.m.
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Linda Smith,
County Clerk Fee \$ 31.00