

1st - 1030883



05/02/2007 03:41:13 PM

Fee: \$36.00

COVER SHEET

ORS: 205.234

This cover sheet has been prepared by the persons presenting the attached instrument for recording. Any errors in this cover sheet **DO NOT** affect the transaction(s) contained in the instrument itself.

After recording, return to:
First American Title
404 Main Street
Suite 1
Klamath Falls, OR 97601

Send Tax Statements to:
Same as on file.

The date of the instrument attached is 5/2/07.

1) NAMES(S) OF THE INSTRUMENT(S) required by ORS 205.234(a)
Substitution Agreement _____

2) PARTY(IES)/GRANTOR, required by ORS 205.125(1)(b) and ORS 205.160:
Bennett, Lance & Desiree _____
Eagle Home Mortgage _____

3) PARTY(IES)/GRANTEE, required by ORS 205.125(1)(b) and ORS 205.160
Oregon Housing and Community Services Department, State of Oregon

4) TRUE and ACTUAL CONSIDERATION (if any), ORS 93.030
\$ 166,442.07

6) RE-RECORDED to correct: _____
Trust Deed recorded as: M06-00414

36c-F

SUBSTITUTION AGREEMENT

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

THIS SUBSTITUTION AGREEMENT (herein referred to as this Agreement), dated 5/2/07, by and between the Oregon Housing and Community Services Department, State of Oregon (herein referred to as Beneficiary), Lance G. Bennett and Desiree F. Bennett (herein referred to as Grantor), and Lance G. Bennett (herein referred to as Purchaser).

WITNESSETH:

WHEREAS, under date of December 16, 2005, Grantor executed and delivered to _____ Eagle Home Mortgage, Inc. as original beneficiary, a promissory note (herein referred to as the Note) for the principal sum of \$170,100.00, 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:

which has the address of: 5510 Schiesel Avenue, Klamath Falls OR 97603 (Property Address), and was recorded on January 9, 2006, in book/reel M06, page 00414, 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 April 1, 2007 is agreed to be _____ One hundred sixty-six thousand, four hundred forty-two dollars and seven cents dollars (\$166,442.07), 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.

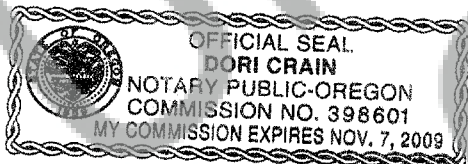
James A. Burt
Purchaser

James A. Burt
Purchaser

STATE OF OREGON
County of Klamath) ss

BE IT REMEMBERED, that on this 2 day of May, 2007, before me, the undersigned, a Notary Public in and for said County and State, he personally appeared the within named Lance G. Burt 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.



Dori Crain
Notary Public in and for said County and State

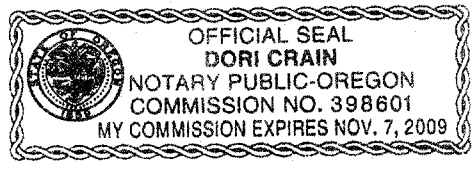
My Commission expires: 11/7/09

Jane A. Bush
Grantor Grantor

STATE OF Oregon
County of Clatsop) ss

BE IT REMEMBERED, that on this 2 day of May, 2007, before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within named Lance G. Bennett, 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 my official seal this day and year last above written.



[Signature]
Notary Public in and for said County and State
My Commission expires: 11/7/09

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

By: [Signature]
Authorized Signature

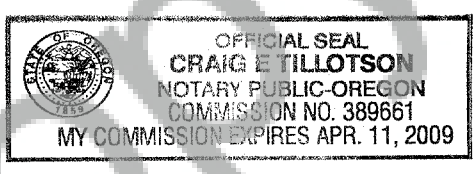
STATE OF OREGON)
County of Marion) ss

On April 30, 2007 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: 4-11-09

After recording return to:



UNOFFICIAL COPY