

2013-008998

Klamath County, Oregon

08/07/2013 11:13:07 AM

Fee: \$72.00

1st 1945260

Recordation Requested by:

HOMESTREET BANK

Attn: Linda Johnston/Loan Servicing
601 Union Street, Suite 2000
Seattle, WA 98101

After Recording Return to:

HOMESTREET BANK

Attn: Linda Johnston/Loan Servicing
601 Union Street, Suite 2000
Seattle, WA 98101

Send Tax Statements to:

Oregon Housing Community
Services and Development
Attn: Gay Jorgensen
725 Summer St Ste B
Salem OR 97301 1266

Loan No. 311231

**DEED IN LIEU OF FORECLOSURE
(NONMERGER)**

This DEED IN LIEU OF FORECLOSURE (the "**Deed in Lieu**") dated July 15 2013 is made by and among Laine J Wortman, A Marrien Man, ("**Grantor**"), and Oregon Housing and Community Services Department, State of Oregon ("**Grantee**").

1. **Grant.** For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Grantor hereby irrevocably and unconditionally conveys and warrants to Grantee, the real property located in Klamath Falls, Oregon and legally described on EXHIBIT A, attached hereto, together with all improvements erected on, attached to, located on, or used in connection with the real property, and all easements, appurtenances, and fixtures attached to the real property (the "**Property**").

2. **Deed in Lieu.** This Deed in Lieu is an absolute conveyance, assignment, and transfer of Grantor's entire interest in the Property and is executed and delivered by

72-8

Grantor in connection with the Deed of Trust dated June 13, 2007, and recorded on June 15, 2007 in the Official Records of Klamath County, Oregon, under Recording No. 2007-010840 (the "**Trust Deed**").

3. Warranties. In executing this Deed in Lieu, Grantor warrants and covenants, and Grantee agrees in accepting this Deed in Lieu, as follows:

3.1 Grantor is the owner of the Property free and clear of all encumbrances except for encumbrances of record as of the date of this Deed in Lieu.

3.2 The consideration for execution of this Deed in Lieu for the Property consists of Grantor's covenant not to make demand or commence any action against Grantee for collection of the indebtedness under the loan secured by the Deed of Trust (the "**Loan**"), as more fully described in Section 7 below. Nothing herein is intended or shall be construed to release Grantor from any obligations to Grantee, or to preclude or otherwise prejudice Grantee's right to proceed with a foreclosure action against the Property.

3.3 The consideration for the execution of this Deed in Lieu is equal to or greater than the fair market value of the Property and includes the fair and reasonable value of Grantor's interest in the Property.

3.4 This Deed in Lieu is executed freely and voluntarily by Grantor, and not pursuant to duress or threats of any kind. Furthermore, it is executed and delivered in mutual good faith between Grantor and Grantee, is not made in preference to Grantee over other creditors, and is not given or intended to hinder, delay, or defraud any creditor, or to contravene any of the bankruptcy laws of the United States or any other applicable laws.

3.5 This Deed in Lieu is not given as security for the payment of money or indebtedness, or as security of any kind or nature. There is no agreement or understanding, oral or written, between Grantor and Grantee, or any other person, relative to a conveyance of the Property back to Grantor, or to a sale or conveyance to anyone else for the benefit of Grantor, or to any division of any proceeds realized from the Property by sale or otherwise. Grantor waives, surrenders, and relinquishes any equity of redemption or statutory rights of redemption that Grantor may have in connection with the Property and the Trust Deed.

3.6 Actual possession of the Property shall be surrendered and delivered to Grantee. Grantor intends by this Deed in Lieu to vest the absolute and unconditional title to the Property in Grantee, and forever estop and bar Grantor, and all of Grantor's successors in interest, from having or claiming any right, title or interest of any nature whatsoever, either in law or equity, or in possession or in expectancy, in and

to the Property or any part thereof. In this regard, and in reliance upon this Deed in Lieu and all of Grantor's warranties and representations made herein, Grantee shall be entitled to exercise and enjoy all of the rights, responsibilities, powers and privileges associated with the Property, including without limitation, maintaining and improving the Property as Grantee deems appropriate, selling the Property at such time and on such terms as Grantee deems appropriate, paying taxes and assessments levied against the Property, and otherwise acting with respect to the Property consistent with the quiet enjoyment and ownership thereof by Grantee.

3.7 Grantor represents and warrants that during the period that the Property was owned by Grantor, the Property was never used for the generation, manufacture, storage, treatment, disposal, release, or threatened release of any hazardous substance, as those terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. §9601 *et seq.* ("CERCLA"), the Superfund Amendments and Reauthorization Act ("SARA"), other applicable federal, state or local laws, or regulations adopted pursuant to any of the foregoing. Grantor agrees to indemnify and hold Grantee harmless from and against any and all claims, losses, and liabilities resulting from a breach of this representation and warranty. This duty of indemnification survives recording of this Deed in Lieu and subsequent transfers of the Property.

3.8 Grantor further warrants and represents: (a) that Grantor has full power and authority to execute and deliver this Deed in Lieu, (b) Grantor is not acting under the influence or misrepresentations of Grantee, Grantee's agents or lawyers, or any other person, (c) the consideration given to Grantor by Grantee for this conveyance equals or exceeds the value of the right, title, and interest of Grantor in and to the Property, (d) Grantor has been advised by Grantee to seek independent legal counsel and has had the opportunity to consult with legal counsel of Grantor's choosing, (e) there are no agreements, oral or written, other than those reflected in this Deed in Lieu, between Grantor and Grantee with respect to the ownership or possession of the Property, and (f) Grantor fully understands the terms and effect of this Deed in Lieu.

4. Nonmerger. It is the express intent of Grantor and Grantee that this Deed in Lieu shall not operate to extinguish, satisfy the indebtedness secured by, or in any way affect the Trust Deed or the security agreements incorporated therein and the Trust Deed shall not be merged into the fee title conveyed herein or otherwise released by the recording hereof. The Trust Deed shall remain a lien on the Property. Although Grantee agrees not to take any action to seek or obtain a personal judgment against Grantor for Grantor's obligations secured by the Trust Deed, Grantee retains the right to proceed with foreclosure actions under the Trust Deed and any related security agreements against the Property at any time to clear title to the Property of any existing or future encumbrances subordinate to the Trust Deed.

5. **No Assumption by Grantee.** Grantee does not expressly or impliedly agree to assume or pay any contract balances, debts, liens, charges, obligations, or liabilities that relate or attach to the Property or any other liability of Grantor.

6. **Grantor's Release.** Grantor hereby unconditionally and irrevocably releases and discharges Grantee, and all of Grantee's affiliates, agents, assigns, attorneys, consultants, directors, employees, insurers, officers, principals, subsidiaries, and successors from any and all claims, demands, damages, suits, rights, or causes of action of every kind (together "**Claims**") and nature that may exist, or have existed, from the beginning of time through the date hereof, whether known or unknown, contingent or matured, foreseen or unforeseen, asserted or unasserted, including without limitation all claims for compensatory, consequential, general, incidental, punitive, and special damages, attorney fees, and equitable relief, including but not limited to Claims arising out of or in any way relating to (a) Grantee's business relationship with the Grantor, (b) the Loan, (c) this Deed in Lieu, and (d) any negotiations, dealings, or transactions between the Grantor and Grantee arising out of or in any way relating to any of the foregoing.

7. **Grantee's Release.** Grantee covenants and agrees that it will not, at any time, make demand or commence any lawsuit or action, whether in law or in equity, against Grantor for collection of the indebtedness owed under the Loan, except that Grantee retains the right to (a) commence a foreclosure action under the Trust Deed as provided in Section 4 above, (b) protect its interest in the Property with respect to any bankruptcy proceeding, and (c) sue Grantor for any breach of the environmental representations and warranties set forth in Section 3.7 above. In consideration of Grantee's acceptance of this Deed in Lieu and release of Grantee's right to collect indebtedness owed under the Loan, Grantee may retain all payments previously made on the Loan, with no duty to account therefor.

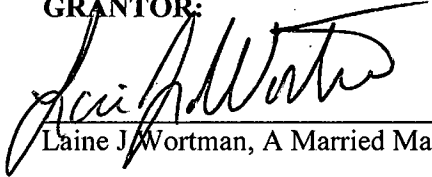
8. **Counterparts.** This Deed in Lieu may be executed in counterparts, all of which shall be considered together as a single instrument. Separate signature pages may be attached to this Deed in Lieu for recording purposes.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

GRANTOR HAS HAD THE OPPORTUNITY TO CONSULT WITH AN ATTORNEY OF GRANTOR'S CHOOSING PRIOR TO SIGNING THIS DEED IN LIEU. GRANTOR IS SIGNING THIS DEED IN LIEU FREELY AND VOLUNTARILY, AND NOT UNDER COERCION OR DURESS.

DATED as of the day and year first above written.

GRANTOR:


Laine J. Wortman, A Married Man

GRANTEE:

OREGON HOUSING AND,
COMMUNITY SERVICES
DEPARTMENT
a State of Oregon

By 
Name Craig Tillotson
Its Loan Servicing Specialist

STATE OF OREGON

COUNTY OF Klamath

SS.

I certify that I know or have satisfactory evidence that Laine J. Wortman is/are the person(s) who appeared before me, and said person(s) acknowledged that he/she signed this instrument and acknowledged it to be his/her free and voluntary act for the uses and purposes mentioned in the instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 15 day of July, 2013.



(Seal, if any)

Trinity L. Hayden

Printed Name Trinity L. Hayden

Title (and Rank) Notary Public

My Commission Expires 11-21-13

STATE OF OREGON)

) ss.

County of Klamath)

On this 15 day of July, 2013, before me, the undersigned, a Notary Public in and for the State of Oregon, duly commissioned and sworn, personally appeared Laine J. Wortman, to me known to be the grantor, respectively, of Oregon Housing and Community Services Department that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute the said instrument.

WITNESS my hand and official seal hereto affixed the day and year first above written.

Trinity L. Hayden

Printed Name:

Notary Public in and for the State of Oregon,

My Commission expires: 11-21-13

STATE OF OREGON

COUNTY OF _____

SS.

I certify that I know or have satisfactory evidence that Laine J. Wortman is/are the person(s) who appeared before me, and said person(s) acknowledged that he/she signed this instrument and acknowledged it to be his/her free and voluntary act for the uses and purposes mentioned in the instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this _____ day of _____, 20____.

(Seal, if any)

Printed Name _____

Title (and Rank) _____

My Commission Expires _____

STATE OF OREGON)

) ss.

County of Marion)

On this 30th day of July, 2013, before me, the undersigned, a Notary Public in and for the State of Oregon, duly commissioned and sworn, personally appeared Craig E. Tillotson, to me known to be the Loan Servicing Specialist, respectively, of Oregon Housing and Community Services Department that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that ~~they are~~ he is authorized to execute the said instrument.

WITNESS my hand and official seal hereto affixed the day and year first above written.



Kathie Connor
Printed Name: Kathleen Mayumi Connor
Notary Public in and for the State of Oregon,
My Commission expires: August 14, 2015

EXHIBIT A

Lot 7 and the Southwesterly Rectangular 17.37 Feet of Lot 8, Block 14, First
Addition to the City of Klamath Falls, In the County of Klamath, State of Oregon

A.P.N.: 3809-029CD-14300-000