

DEED (IN LIEU OF FORECLOSURE)

DATED: March 31, 1980

FROM: STEVE MARKS and ANNE S. MARKS, his wife
(collectively "Grantor")

TO: CROCKER NATIONAL BANK
Fresno Main
P.O. Box 1509
Fresno, California 93716
("Grantee")

Grantor holds a leasehold interest in, and an option to purchase, the real property described on attached Exhibit A pursuant to a Lease and Option to Purchase (the "Lease") between Grantor, as lessee and optionee of the real property, and William U. Hill and Lillian M. Hill, husband and wife, as lessors and optionors of the real property, dated February 28, 1974 (all of Grantor's right, title and interest in and to the Lease, including, without limitation, Grantor's option rights thereunder, are hereinafter collectively referred to as the "Leasehold Interest"). Grantor's Leasehold Interest is subject to the lien of a Mortgage of Leasehold Interest (the "Mortgage") to Grantee, as mortgagee, dated June 17, 1976, and recorded July 8, 1976, in the Office of the Recorded of the County of Klamath, State of Oregon, in Series 16050, Book M76, Page 10344 of the Official Records.

The notes and indebtedness secured by the Mortgage are owned by Grantee, on which notes and indebtedness there

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is now owing and unpaid an aggregate principal sum in excess of \$1,000,000.00, together with accrued interest, the same being now in default and the Mortgage now being in foreclosure.

Grantor is unable to pay the same, and has requested Grantee to accept an absolute deed of conveyance of the Leasehold Interest and certain personal property of Grantor and others (collectively the "Consideration") in satisfaction of the notes and indebtedness secured by the Mortgage.

NOW, THEREFORE, in consideration of Grantee's agreement to accept the Consideration in satisfaction of the notes and indebtedness secured by the Mortgage, Grantor hereby conveys to Grantee, its successors and assigns, all of their right title and interest in and to the Leasehold Interest.

Grantor, for themselves and their successors and assigns, does hereby covenant with Grantee, its successors and assigns, that Grantor is lawfully seized of the Leasehold Interest free and clear of all liens and encumbrances except the lien of the Mortgage and a Mortgage of Leasehold Interest (the "Second Mortgage") from Grantor to Frederick J. Strain and John Kalfsbeck,

dated November 11, 1976, and recorded December 20, 1976, in the Office of the Recorder of the County of Klamath, State of Oregon, in Book M76 at Page 20265. Grantor, their successors and assigns will warrant and forever defend the Leasehold Interest against the claims and demands of all persons whomsoever, other than claims arising out of the lien of the Mortgage, the lien of the Second Mortgage, and claims by William U. Hill and Lillian M. Hill arising out of the Lease.

This deed is intended as a conveyance to Grantee, absolute in legal effect as well as in form, of all of Grantor's right title and interest in and to the Leasehold Interest and of all redemption rights of every kind that Grantor may have therein, and not as a mortgage, deed of trust, or security of any kind; the possession of the Leasehold Interest is hereby surrendered and delivered to Grantee. In executing this deed, Grantor represents and warrants that Grantor has had the benefit and advice of counsel and is not acting under any misapprehension as to the purpose or effect of this deed or under any duress, undue influence or misrepresentation by Grantee, its representatives, attorneys or agents, or any other person whomsoever.

This deed does not effect a merger of Grantor's right, title and interest in and to the Leasehold Interest and the lien of the Mortgage described above. The Leasehold Interest and lien shall hereafter remain separate and distinct.

The true and actual consideration for this transfer is Grantee's acceptance of the Consideration in satisfaction of the notes and indebtedness secured by this Mortgage.

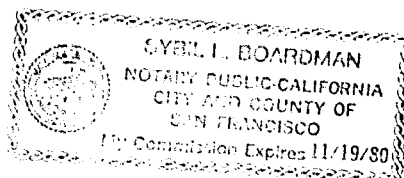
Steve Marks
Steve Marks

Anne S. Marks
Anne S. Marks

STATE OF CALIFORNIA)
City and County of) ss.
SAN FRANCISCO)

On March 31, 1980, before me appeared the above named STEVE MARKS and acknowledged the foregoing Deed (In Lieu of Foreclosure) to be his voluntary act.

Sybil L. Boardman
Notary Public for California
My commission expires: 11/19/80



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STATE OF CALIFORNIA)
City and County of) ss.
SAN FRANCISCO)

On March 31, 1980, before me personally
appeared the above named ANNE S. MARKS and acknowledged
the foregoing Deed (In Lieu of Foreclosure) to be her
voluntary act.

Sybil L. Boardman
Notary Public for California
My commission expires: 11/19/80

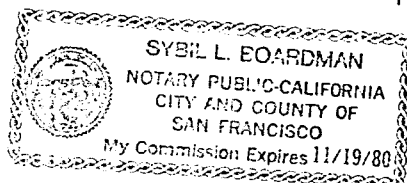


EXHIBIT A

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Certain property situated in Klamath County, State of Oregon,
bounded and described as follows:

TOWNSHIP 36 SOUTH, RANGE 14 EAST OF THE WILLAMETTE MERIDIAN.

Section 10: All
Section 15: All, EXCEPT portion conveyed to Klamath
County, Oregon, by deed recorded in
Volume 228 at Page 189.
Section 21: E/2 NW 4; E/2
Section 22: All
Section 23: All, EXCEPT the following described por-
tion thereof: Beginning at a point 100
feet West of the Southeast corner of SW/4
SE/4 of said Section 23; thence North
200 feet; thence West 200 feet; thence
South 200 feet; thence East 200 feet to
the place of beginning; and ALSO EXCEPT-
ING portion conveyed to Klamath County,
Oregon, by deed recorded in Volume 228
at Page 189.
Section 28: Beginning at the Northeast corner of said
Section 28; thence West on the North line
of said Section 28, 160 rods to the North-
west corner of the NE/4 of Section 28;
thence South on the West line of said
NE/4 of Section 28, 120 feet; thence in
a Northeasterly direction in a straight
line to a point on the East line of said
Section 28, 86 feet South of the place
of beginning; thence North on the East
line of said Section 28 to the place of
beginning.

TOWNSHIP 36 SOUTH, RANGE 14 EAST OF THE WILLAMETTE MERIDIAN.

Section 20: E/2 NE/4; that portion of SE/4 SE/4 lying
Northeasterly of Sprague River.
Section 21: W/2 NW/4; SW/4
Section 28: That portion of the NW/4 NW/4 lying North-
erly of Sprague River and Northwesterly of
the BK Canal.
Section 29: That portion of the NE/4 NE/4 lying North-
easterly of Sprague River.

RICHARD C. JOSEPHSON

STOEL RIVES, BOLEY, FRASER AND WYSE

ATTORNEYS AT LAW

800 SW FIFTH AVENUE

PORTLAND, OREGON 97204

STATE OF OREGON; COUNTY OF KLAMATH; ss.

I hereby certify that the within instrument was received and filed for record on the 7th day of
April A.D., 19 80 at 2:21 o'clock P M., and duly recorded in Vol. M80
of Deeds on Page 5459.

FEE \$21.00

WM. D. MILNE, County Clerk

By Bernice H. H. H. Deputy