

DEED IN LIEU OF FORECLOSURE - NO MERGER

Klamath Wood Products, Inc., an Oregon corporation, (Grantor) conveys to Walter E. Heller Western Incorporated, a California corporation, (Grantee), all that real property situated in Klamath County, Oregon, described on Exhibit "A" attached hereto and by this reference incorporated herein.

This Deed is absolute in effect and conveys fee simple title of the premises above described to the Grantee and does not operate as a mortgage, trust conveyance, or security of any kind.

Grantor is the owner of the premises, free of all encumbrances except the Mortgage executed to Grantee, dated May 25, 1979 and recorded on June 4, 1979, in Book M-79, Page 12906, Mortgage Records of Klamath County, Oregon and except the following:

A. Mortgages and security interests held by Alpine Veneers, Inc.:

1. Mortgage recorded May 18, 1979, in Book M-79, Page 11509, in the Mortgage Records of Klamath County, Oregon;
2. Financing Statement recorded June 14, 1979, in Book M-79, Page 14083, in the Records of Klamath County, Oregon;
3. Mortgage recorded September 18, 1980, in Book M-80, Page 24517, in the Records of Klamath County, Oregon;
4. Mortgage recorded March 25, 1981, recorded in Book M-81, Page 5348, of the Records of Klamath County, Oregon;
5. Financing Statement recorded March 31, 1981, in Book M-81, Page 5715, of the Records of Klamath County, Oregon; and
6. Mortgage recorded September 8, 1981, in Book M-81, Page 15881, of the Records of Klamath County, Oregon.

B. Construction Lien filed by Roseburg Electric Wholesale, Inc., October 9, 1981, Book M-81, Page 17875, of the Records of Klamath County, Oregon;

C. State Tax Warrant No. 13359, entered March 4, 1982, in Docket Book 37, Page 312, Line 3, in the amount of \$2,395.92, plus interest and statutoru charges against Klamath Wood Products, in favor of State of Oregon Employment Division;

D. State Tax Warrant No. 13452, entered March 16, 1982, in Docket Book 37, Page 319, Line 4, in the amount of \$298.28,

plus interest and statutory charges against Klamath Wood Products, in favor of State of Oregon Employment Division;

E. Delinquent real property taxes;

F. Easements and restrictions of record.

This Deed does not effect a merger of the fee ownership and the lien of the mortgage of Grantee's mortgage described above. The fee and said lien shall hereafter remain separate and distinct.

By acceptance of this Deed, Grantee covenants and agrees that it shall forever forbear taking any action whatsoever to collect against Grantor on the Promissory Note given to secure the mortgage above described in favor of Grantee, other than by foreclosure of said mortgage, and that in any proceeding to foreclose the mortgage, Grantee shall not seek, obtain, or permit a deficiency judgment against Grantor, such rights and remedies being hereby waived.

Grantor does hereby waive, surrender, convey and relinquish any equity of redemption and statutory rights of redemption concerning the real property and mortgage described above.

Grantor is not acting under misapprehension as to the legal effect of this Deed, or under any duress, undue influence or misrepresentation of Grantee, its agent or attorney or any other person.

The true and actual consideration for this transfer stated in terms of dollars is \$0.

KLAMATH WOOD PRODUCTS, INC.,
an Oregon corporation

BY

Walter E. Heller Pres.
WALTER E. HELLER WESTERN INCORPORATED,
a California corporation

BY

Ben A. Hey A.V.P.

STATE OF OREGON)

County of Marion) ss.

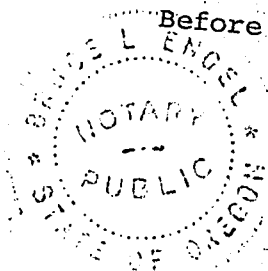
On this 31st day of May, 1982, personally appeared the above named John H. Green, who, being duly sworn, did say that

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he is the President of KLAMATH WOOD PRODUCTS, INC., a corporation, and that said instrument was signed and sealed on behalf of said corporation and that he acknowledged said instrument to be its voluntary act and deed.

Before Me:



David J. Engle
Notary Public for Oregon
My Commission Expires: 2/9/85

Until further notice, send all tax statements to:

Walter E. Heller Western Incorporated
Post Office Box 489
Portland, Oregon 97207

After recording, return to:

David J. Krieger
Black, Kendall, Tremaine, Boothe & Higgins
3100 First Interstate Tower
Portland, Oregon 97201

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record .

this 14 day of June A. D. 19 82 at 8:31 o'clock A. M., and
duly recorded in Vol. M 82, of Deeds on Page 7447

Fee \$12.00

By Joyce M. Shure
EVELYN BIEHN, County Clerk

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