

## DEED IN LIEU OF FORECLOSURE FOR TITLE

THIS INSTRUMENT is made between NORMAN F. LARSON and DOROTHY M. LARSON, hereinafter called Sellers, and JOE B. KARNES and FRED A. L. KARNES, husband and wife, hereinafter called Assignees.

WHEREAS, Sellers sold to Buyers VIDA V. LOVETT and WILLIAM JACK McELREATH, by a certain contract of sale dated the 8th day of March, 1976, and recorded in the Deed Records of Klamath County, Oregon, on the 16th day of March, 1976, at Volume M76, page 3808, that certain real property more particularly described as:

Lot 77, CASITAS, Klamath County, Oregon, subject to easements, building restrictions, assessments, and rights-of-way now of record and those apparent upon the land.

The total purchase price of said sale was \$18,500 with \$2,000 being paid at the time of execution of the contract and the rest of the amount to be paid in monthly installments of \$127.30 per month, commencing April 1, 1976. The contract of sale further provided that Buyers were to be responsible for Klamath County property taxes.

Buyers Vida V. Lovett and William Jack McElreath assigned their interest in the above mentioned land sale contract to Assignees, JOE B. KARNES and FRED A. L. KARNES, by means of a certain Assignment of Vendee's Interest in Land Sale Contract dated May 7, 1980, and recorded in the Deed Records of Klamath County, Oregon, at Volume M80, page 8432.

Both Buyers and Assignees have failed to meet and pay their obligation as outlined above in that the sum of \$15,006.23 plus interest at 8% per annum from January 14, 1982 until paid, is

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After recording  
return to:

HENDERSON  
& MOLATORE  
ATTORNEYS AT LAW  
426 MAIN STREET  
KLAMATH FALLS,  
OREGON 97601-6084  
TELEPHONES  
(503) 884-7731  
884-2030

1 presently due. Sellers have asserted their contractual right to  
2 declare the entire unpaid balance due and payable with interest.  
3 Additionally, Sellers have brought suit against Buyers, Assignees  
4 and others for the judicial foreclosure of the above mentioned  
5 land sale contract in the Circuit Court of the State of Oregon for  
6 the County of Klamath, Case No. 83-359 CV.

7 There are sums due for taxes unpaid for the 1981-82 tax  
8 year in the amount of \$308.59 plus interest and the sum of \$473.76  
9 plus interest for taxes accruing for the 1982-83 tax year from  
10 Klamath County.

11 WHEREAS, neither Buyers nor the Assignees are unable to  
12 pay the amounts listed above, Assignees KARNES have requested that  
13 Sellers accept an absolute deed of conveyance of the above  
14 mentioned property back to Sellers in satisfaction of the above  
15 indebtedness and the Sellers having agreed to do so:

16 NOW, THEREFORE, for the consideration that Sellers will  
17 forbear to exercise any remedies they may have under the above  
18 mentioned land sale contract including their right to take a  
19 judicial foreclosure against Buyers, and it being further under-  
20 stood, that this Deed in Lieu of Foreclosure is not meant to be a  
21 mutual rescission of the contract but as a conveyance in lieu of  
22 judicial foreclosure of the contract for the above mentioned  
23 consideration. It is also the expressed intent of the parties  
24 that the Sellers will retain any and all payments herein made by  
25 Assignees or any such payments to which Assignees would have any  
26 claim whatsoever or to any payments by anyone taking as a result  
27 of an assignment of the Assignees' interest, either directly or  
28 indirectly, and Assignees make no claim to said payments.

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Assignees do hereby grant, bargain, sale and convey unto the Sellers, their heirs, successors and assigns, all of the following described real property situated in Klamath County, State of Oregon, to-wit:

Lot 77, CASITAS, Klamath County, Oregon, subject to easements, building restrictions, assessments, and rights-of-way now of record and those apparent upon the land

together with all the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining.

TO HAVE AND TO HOLD the same unto said Sellers, their heirs, successors and assigns forever.

The Sellers, for themselves, their heirs and legal representatives, do covenant to and with the Buyers, their heirs, successors and assigns, that the Sellers are lawfully seized in fee simple of said property, free and clear of incumbrances except those having been created by the above mentioned land sale contract and certain assignments from Buyers to others.

That the Assignees will warrant and forever defend the above granted premises, and every part and parcel thereof against the lawful claims and demands of all persons whomsoever, that this deed is intended as a conveyance, absolute in legal effect as well as in form, of the title to said premises to the Sellers and all redemption rights which the Assignees may have therein, and the deed is not to be construed as a mortgage, trust deed or security of any kind; that possession of the above mentioned premises is surrendered and delivered unto the Sellers; Assignees are not executing this deed because they are under any misapprehension as to the effect thereof or under any duress, undue influence, or

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1 misrepresentation of the Sellers, or Sellers' representatives,  
2 agents or attorneys; the purpose of this deed is not to give  
3 preference over other creditors, or creditors of the Assignees,  
4 and that at this time there is no person, co-partnership or  
5 corporation, other than certain assignees of Buyers interest in  
6 said premises directly or indirectly, in any manner whatsoever.

7 IN WITNESS WHEREOF, the Assignees above named have  
8 executed this instrument; and caused their names to be signed  
9 hereto.

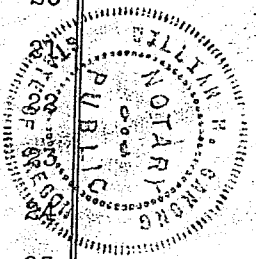
10 DATED this 17 day of May, 1984.

11  
12 Joe B. Karnes Freda L. Karnes  
13 JOE B. KARNES FREDA L. KARNES

14  
15 STATE OF OREGON )  
16 County of Klamath ) ss. May 17, 1984

17 Personally appeared the above named JOE B. KARNES and  
18 FREDA L. KARNES and acknowledged the foregoing instrument to be  
19 their voluntary act and deed.

20 Before me:



William J. Gann  
Notary Public for Oregon  
My Commission expires: 11-2-86

25  
26  
27  
28  
HENDERSON  
& MOLATORE  
ATTORNEYS AT LAW  
426 MAIN STREET  
KLAMATH FALLS,  
OREGON 97601-6084  
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STATE OF OREGON: COUNTY OF KLAMATH:ss  
I hereby certify that the within instrument was received and filed for  
record on the 6th day of June A.D., 19 84 at 9:12 o'clock A M,  
and duly recorded in Vol M84, of Deeds on page 9484.

Fee: \$ 12.00

EVELYN BIEHN, COUNTY CLERK  
by: Ann Smith, Deputy