

DEED IN LIEU OF FORECLOSURE

Paul H. Fairclo and Richard Fairclo, Grantors, for and in consideration of the covenants contained herein and the forgiveness of certain personal indebtedness arising from a promissory note dated December 19, 1984, hereby assign, transfer, set over, and convey to Interstate Production Credit Association, Grantee, all of the Grantors' right, title, and interest in and to a one-half interest as tenants in common to the following described real property situated in Klamath County, Oregon:

SEE ATTACHED EXHIBIT A, which by this reference is incorporated herein.

Grantors covenant that:

Grantors each hold a one-quarter interest in the property as tenants in common.

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.

Grantors are the owners of the premises, free of all encumbrances, excepting only those encumbrances as follows:

This deed does not effect a merger of the fee ownership and the lien of Grantee's mortgage described above. The fee and lien shall hereafter remain separate and distinct, and the Grantee shall not be prohibited from proceeding to foreclose the lien of the Grantee's mortgage described above to clear title.

By acceptance of this deed, Grantee covenants and agrees that it shall forever forbear taking any action whatsoever to collect against the Grantors on the promissory note secured by the Grantee's mortgage above described, other than by foreclosure of that mortgage and that in any proceeding to foreclose the Grantee's mortgage, it shall not seek, obtain, or permit a deficiency judgment against the Grantors, their successors or assigns, such rights and remedies being waived. Grantee expressly reserves its rights and remedies in all other proceedings and

AFTER RECORDING,
RETURN TO:
CHURCHILL, LEONARD,
BROWN & DONALDSON
Attorneys at Law
P. O. Box 804
Salem, OR 97308

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UNTIL A CHANGE IS REQUESTED, ALL
TAX STATEMENTS SHALL BE SENT TO:
✓ INTERSTATE PRODUCTION
CREDIT ASSOCIATION
PO Box 590-148
Salem, OR 97308

Klamath County, Or.
9.6.81

200 APR 7 PM 12 59

suits now filed or pending or to be filed, if any, either in equity or at law.

The Grantors do hereby waive, surrender, convey, and relinquish any equity of redemption concerning the real property and Grantee's mortgage described above.

The Grantors are not acting under any misapprehension as to the legal effect of this deed, nor under any duress, undue influence, or misrepresentation of Grantee, its agent or attorney, or any other person.

The Grantors agree that Grantee shall retain all payments made on the promissory note and Grantee's mortgage by the Grantors. The Grantee does not assume any responsibility for any liabilities incurred by the Grantors or by any other person.

This Deed is made by the Grantors as a result of the Grantors' own request and as the Grantors' free and voluntary act.

The Grantors were represented by counsel, and it is the intention of the Grantors to convey, set over, transfer, and assign by said Deed and did convey, set over, transfer, and assign to the Grantee, all of the Grantors' right, title, and interest absolutely in and to the premises described in this Deed.

These recitals are made for the protection and benefit of the Grantee, its successors and assigns, and all of the parties hereafter dealing with or who may acquire an interest in the property described therein, and shall bind the respective successors, executors, administrators, and assigns of the undersigned.

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES.

Dated this 25th day of March, 1986.

Paul Fairclo
Paul Fairclo
Richard Fairclo
Richard Fairclo

STATE OF OREGON)
) ss.
County of Klamath)

The foregoing instrument was acknowledged before me this 25th day of March, 1986, by Paul Fairclo and Richard Fairclo.

KAL2A:wswhlh3
1113002.11

Douglas V. Osborn
Notary Public for Oregon

My commission expires: 2-2-90

5689

Beginning at a point on the East boundary of Section 24, Township 39 South, Range 9 E.W.M., which lies South along said line a distance of 1909.6 feet from the Northeast corner of said Section 24; thence South $89^{\circ}28'50''$ West a distance of 742 feet; thence South $89^{\circ}27'20''$ West 797.5 feet thence South $89^{\circ}05'40''$ West to a point on the West line of the Northeast quarter of said Section 24; thence South along said West line to the Southwest corner of said Northeast quarter; thence East along the South line of said Northeast quarter to the Southeast corner thereof; thence North along the East line of said Northeast quarter to the point of beginning.

Subject to reservations and restrictions of record, and easements and rights-of-way of record and those apparent on the land.

KAL2A:wsu1
1113002.11

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of _____
of April A.D. 19 86 at 12:59 o'clock P M., and duly recorded in Vol. M86
of Deeds on Page 5687

FEE \$18.00

Evelyn Biehn,
By _____ County Clerk

EXHIBIT A