

DEED IN LIEU OF FORECLOSURE

65392

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THIS INDENTURE WITNESSETH, that CHERRIE Y. PADDOCK, hereinafter known as Grantor, for the consideration hereinafter recited, does hereby grant, assign, sell and convey unto RAINBOW REALTY, INC., hereinafter called Grantee, its assigns and successors, the following described premises situated in Klamath County, Oregon, to-wit:

Lot 1 of Block 4, PINE RIDGE ESTATES, Unit 1,
according to the official plat thereof
on file in the office of the County
Clerk of Klamath County, Oregon.

Grantor covenants that:

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

Grantor holds the Vendee's interest in that certain Contract of Sale between Grantee as Vendor and Grantor as Vendee dated February 27, 1982. The acceptance of this Deed by Grantee effects a cancellation of said Contract and a waiver of all claims which Grantor may have against Grantee and which Grantee may have against Grantor.

Grantor is not acting under any misapprehension as to the effect of this deed, nor under any duress, undue influence or misrepresentation of grantee, his agent or attorney or any other person.

IN WITNESS WHEREOF, Grantor has hereunto set his hand this X day of July, 1986.

X. Cherrie Y. Paddock

STATE OF Alaska)
County of Mat) SS

On the 10 day of July, 1986, the foregoing instrument was acknowledged before me by Cherrie Y. Paddock.

Linda J. Smith
Notary Public for Alaska
My commission expires: 12-4-86

After recording return to and also send 'tax Statements to:

Rainbow Realty
Pacific Trade Center, Suite 938
Honolulu, HI 96813

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of _____ the _____ 29th day
of _____ August _____ A.D., 19 86 at 2:37 o'clock P M., and duly recorded in Vol. _____ 186
of _____ Deeds _____ on Page 15639

FEE \$10.00

Evelyn Biehn, County Clerk
By [Signature]