

After Recording Return To:

R. Scott Palmer
Attorney at Law
P.O. Box 11620
Eugene, Oregon 97440-3820

Unless a Change is Requested,Mail All Tax Statements To:

W.C. Ranch Inc.
17356 Hill Road
Klamath Falls, Oregon 97603

ESTOPPEL DEED

(In Lieu of Foreclosure)

WRAY PARTNERSHIP, a partnership consisting of Michael Barnes Wray, Mark Forbes Wray, Nancy Lee Dey, Stephen Waddington Wray, Susan Wray Hedges, and Judith Wray Nelson (Grantor), conveys to W.C. RANCH, INC., an Oregon Corporation (Grantee), the real property described on Exhibit A, attached hereto and incorporated by this reference, (the Property).

1. On or about March 31, 1989, the Wray Partnership executed and delivered to Western Bank, an Oregon banking corporation, its promissory note in the sum of \$61,000 (the Note). To secure payment of the promissory note, the Wray Partnership executed and delivered to Western Bank a Mortgage on the Property (the Mortgage). The Mortgage was duly recorded in the deed records of Klamath County, Oregon on April 6, 1989 at 4:03 p.m., at reception number 98845, Volume M89, page 5811.

2. On or about September 16, 1991, for value, Western Bank assigned all of its right, title and interest in the Note and the Mortgage to Grantee. Grantee is now the owner and holder of the Note and the Mortgage.

3. The obligations secured by the Mortgage are in default and the entire unpaid balance, together with all accrued interest, and Grantee's reasonable attorney fees, are now due and payable in full.

4. Grantor covenants that 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.

5. This deed does not effect a merger of the fee ownership and the lien of the Mortgage described above. The fee and lien shall hereafter remain separate and distinct.