

65253

07-27-93P03:19 RCVD

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DEED IN LIEU OF FORECLOSURE

THIS INDENTURE between KENNETH E. CUNARD and KENNETH E. CUNARD, PERSONAL REPRESENTATIVE OF THE ESTATE OF MARYANN L. CUNARD, hereinafter called the first party, and WILLIAM C. PAUGSTAT and MARJORIE R. PAUGSTAT, Trustees or their successors in Trust, under the Paugstat Loving Trust dated July 12, 1990, hereinafter called the second party;

WITNESSETH:

WHEREAS, the title to the real property hereinafter described is encumbered by a recorded Trust Deed, dated January 26, 1981, and recorded January 26, 1981, in M-81, on page 1249, records of Klamath County, Oregon, given by Kenneth E. Cunard and Maryann L. Cunard to Transamerica Title Insurance Company, as trustee for William C. Paugstat and Marjorie R. Paugstat, Trustees or their successors in Trust, under the Paugstat Loving Trust dated July 12, 1990. The title to the real property hereinafter described is encumbered by a recorded Second Trust Deed, dated January 26, 1981, and recorded January 26, 1981, in M-81, on page 1247, records of Klamath County, Oregon, given by Kenneth E. Cunard and Maryann L. Cunard to Transamerica Title Insurance Company, as trustee for William C. Paugstat and Marjorie R. Paugstat, Trustees or their successors in Trust, under the Paugstat Loving Trust dated July 12, 1990. There is owing and unpaid the sum of \$48,525.91, including interest and taxes, the same being now in default and said Trust Deed and Second Trust Deed being subject to immediate foreclosure, and whereas the first party being unable to pay the same have requested the second party to accept an absolute deed of conveyance of said property in satisfaction of the indebtedness secured by said Trust Deed and Second Trust Deed and the second party does now accede to said request.

NOW, THEREFORE, for the consideration hereinafter stated (which includes the cancellation of the indebtedness on said Trust Deed and Second Trust Deed to the first party), the first party does hereby grant, bargain, sell and convey unto the second party, their heirs, successors and assigns, all right, title and interest to the following described real property situate in Klamath County, State of Oregon, to-wit:

Lots 1, 2, and 3, Block 2, SIXTH STREET
ADDITION TO THE CITY OF KLAMATH FALLS,
according to the official plat thereof on file
in the office of the County Clerk, Klamath
County, Oregon;

SUBJECT TO:

1. Taxes are unpaid as follows:
Account #3909-4AA-900 (Key #530642)
1990-91 in the amount of \$436.22 plus interest;

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AFTER RECORDING, RETURN TO:
JERRY MOLATORE
420 MAIN ST.
KLAMATH FALLS, OR

1991-92 in the amount of \$465.57 plus interest;
 1992-93 in the amount of \$456.94 plus interest;

Account #3909-4AA-1000 (Key #530651)
 1990-91 in the amount of \$320.89 plus interest;
 1991-92 in the amount of \$312.89 plus interest;
 1992-93 in the amount of \$301.16 plus interest;

2. Liens and assessments of Klamath Project and Klamath Irrigation District, and regulations, contracts, easements, water and irrigation rights in connection therewith;
3. Notice of Abatement Proceedings filed by the City of Klamath Falls, dated May 3, 1990 and recorded May 4, 1990 in M-90 on page 8473, records of Klamath County, Oregon;

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

TO HAVE AND TO HOLD the same unto second party, WILLIAM C. PAUGSTAT and MARJORIE R. PAUGSTAT, TRUSTEES OR THEIR SUCCESSORS IN TRUST, UNDER THE PAUGSTAT LOVING TRUST DATED JULY 12, 1990.

And the first party, for themselves and their heirs and legal representatives, do covenant to and with the second party, its heirs, successors and assigns, that the first parties are the lawful owners of the grantor's interest in the above-described Trust Deed and Second Trust Deed, free and clear of encumbrances except as above described; and that the first party 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, other than the liens above expressly excepted, 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 second party and all redemption rights which the first party may have therein, and not as a mortgage, trust deed or security of any kind; that possession of said premises hereby is surrendered and delivered to said second party; that in executing this deed, the first party is not acting under any misapprehension as to the effect thereof or under any duress, undue influence, or misrepresentation by the second party, or second party's representatives, agents or attorneys; that this deed is not given as a preference over other creditors of the first party and that at this time there is no person, co-partnership or corporation, other than the second party, interested in said premises directly or indirectly, in any manner whatsoever, except as aforesaid.

The true and actual consideration paid for this transfer, stated in terms of dollars, is \$0.00.

It is understood and agreed by and between the parties that the second party shall retain all payments previously made.

In construing this instrument, it is understood and agreed that the first party as well as the second party may be more than one person; that if the context so requires, the singular shall be taken to mean and include the plural; that the singular pronoun means and includes the plural, the masculine, the feminine and the neuter and that, generally, all grammatical changes shall be made, assumed and implied to make the provisions hereof apply equally to corporations and to individuals.

IN WITNESS WHEREOF, the first party above named has executed this instrument.

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 26 day of July, 1993.

Kenneth E. Cunard
KENNETH E. CUNARD

Kenneth E. Cunard
KENNETH E. CUNARD, Personal
Representative of the Estate
of Maryann L. Cunard

STATE OF OREGON)
) ss.
County of KLAMATH)

The foregoing instrument was acknowledged before me this 26 day of July, 1993, by KENNETH E. CUNARD, for himself and as personal representative of the Estate of Maryann L. Cunard.

[Signature]
NOTARY PUBLIC FOR OREGON
My Commission Expires: 6-18-94

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STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Jerry Molatore the 27th day
of July A.D., 19 93 at 3:19 o'clock P.M., and duly recorded in Vol. M93,
of Deeds on Page 18323.

FEE \$40.00

Evelyn Biehn County Clerk
By [Signature]