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10-14-94P03:48 RCVD

Vol. 94 Page 32173

NON-MERGER WARRANTY DEED IN LIEU OF FORECLOSURE
Customer/Note Nos. B192 319-1

THIS DEED, made this 13th day of October, 1994, between ROLLIN R. THRONE and LEITH THRONE, an estate in fee simple as tenants by the entirety, as to an undivided one-third interest, and PETER V. JOHNSON and TERRI L. JOHNSON, an estate in fee simple as to an undivided one-third interest, All as tenants in common, the Grantors, and AgAMERICA, FCB successor in interest to Federal Land Bank of Spokane, a corporation, whose mailing address is West 601 First Avenue, TAF-CS, Spokane, Washington 99220, the Grantee,

The true consideration for this conveyance is forgiveness of debt.

WITNESSETH, that for and in consideration of the covenants hereinafter contained, the avoidance of the costs and expense of foreclosure litigation, the payment by Grantee of all title insurance premiums and recording and transfer fees, costs and expenses, and other good and valuable consideration, the Grantors do by these presents grant, convey and warrant forever unto the Grantee, and to its successors and assigns, all the following described real property:

A parcel of land situated in Government Lot 16 in Section 16, Township 41 South, Range 12 E.W.M., more particularly described as follows:

Beginning at the intersection of the South line of said Section 16 with the centerline of South Malin Highway, as the same is now located and constructed; thence North along said centerline a distance of 35.0 feet and West a distance of 30.0 feet to the intersection of the West line of said Highway with the North right-of-way line of the U.S.B.R. No. 11-B-1-B Drain and the TRUE POINT OF BEGINNING of this description; thence West along the North line of said Drain a distance of 696.0 feet to a point; thence North a distance of 203.25 feet, more or less, to a East-West fence line; thence East along said fence line a distance of 380.0 feet, more or less, to a North-South fence line; thence South along said fence line a distance of 175.25 feet to a point 28.0 feet North of the North right-of-way line of said No. 11-B-1-B Drain; thence East along a fence line 316.0 feet, more or less, to the West line of said Highway; thence South along said West line a distance of 28.0 feet, more or less, to the point of beginning. Said parcel containing 2.0 acres, more or less.

ALL SITUATE IN County of Klamath, State of Oregon, subject to rights of way and easements for roads, utilities and irrigation ditches as same exist or appear of record, unpaid real property taxes, and mortgage to Grantee dated May 20, 1982, and recorded as instrument no. 12310, in Book M82 of Mortgages on Page 6855, records of Klamath County, State of Oregon.

TOGETHER WITH all water and water rights of every kind and description and however evidenced, used upon or appurtenant to said property, which in any manner entitle Grantors to water.

TOGETHER WITH any and all tenements, hereditaments, easements, rights, privileges and appurtenances thereunto belonging or used in connection therewith, and the reversions, remainders, rents, issues and profits thereof.

TOGETHER WITH the following described personal property:

All the related fixtures to be a complete operating facility, including but not limited to: humidifiers, electrical panels, sensors, fans and motors, loovers and controls with motors, vent pipes, of which includes but is not limited to the following: two 4'6" blower fans with motor, controls and sensors; two humidifiers with controls and sensors; six 48 watt Modutrol motors; two Storage Sentinel IVI control panels; two Square D electrical panels; two Toshiba panels; two Siemens main electrical panels; 16 various size loover panels; all necessary bulk head boards for ends (2x6 and 2x8 by 16' long); all 16"x9" corrugated vent pipes with end covers.

AFTER RECORDING RETURN TO:
JOHN D. ALBERT
DONALDSON, ALBERT, TWEET, et al
PO Box 968
Salem, OR 97308

**UNTIL A CHANGE IS REQUESTED
SEND ALL TAX STATEMENTS TO:**
Farm Credit Services
PO Box 148
Klamath Falls, OR 97601

SUBJECT TO THE FOLLOWING ENCUMBRANCES:

32174

1. Taxes for the following years are unpaid plus interest: 1989-90 \$3,363.48; 1990-91 \$2,992.95; 1991-92 \$3,247.79; 1992-93 \$2,796.68; 1993-94 \$2,328.94 Account No. 4112-1600-2800 Key No. 792173
2. Liens and assessments of Klamath Project and Klamath Irrigation District, and regulations, contracts, easements, water and irrigation rights in connection therewith.
3. Any unpaid charges or assessments of Klamath Irrigation District.

TO HAVE AND TO HOLD, all and singular, the said property, together with the appurtenances, unto the said Grantee, and to its successors and assigns forever. Grantors covenant with Grantee that the former is now seized in fee simple of the property granted; that the latter shall enjoy the same without any lawful disturbance; that the same is free from all encumbrances (except those set forth above); that Grantors and all persons acquiring any interest in the same through or for them will, on demand, execute and deliver to Grantee at Grantee's expense, any further assurance of the same that may be reasonably required; and that Grantors will warrant to Grantee all of the said property against every person lawfully claiming the same, except those claiming under the above exceptions.

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

Grantee's acceptance of this conveyance is conditioned upon there being no liens against the property, except for those set forth above.

Grantor warrants, represents and covenants that to the best of Grantors' knowledge any handling, transportation, storage, treatment or use of hazardous substances that has occurred on the premises has been in compliance with all applicable federal state and local statutes, ordinances, rules, regulations and other laws pertaining to hazardous substances. The Grantor further represents and warrants to the best of its knowledge that no leak, spill, release, discharge, emission or disposal of hazardous substances has occurred on the premises to date and that the soil, waters (including ground waters) and soil vapor under the premises is free of hazardous substances as of the date this conveyance becomes effective. The Grantor agrees to indemnify, defend and hold Grantee harmless from any claims, judgments, damages, penalties, fines, costs, liabilities (including without limitations sums paid in settlement of claims) or loss including attorney fees, consultant fees and expert witness fees which arise in connection with the presence or suspected presence of hazardous substances in the soil, waters (including ground waters) or soil vapor on or under the premises except hazardous substances released after the date this conveyance becomes effective.

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

By acceptance of this deed, Grantee covenants and agrees that it shall not enforce any personal judgment against Grantors for the indebtedness evidenced by the promissory note secured by that certain Mortgage executed by ROLLIN R. THRONE and LEITH THRONE, husband and wife, and KEITH E. McCLUNG and BEVERLY J. McCLUNG, husband and wife, and KENNETH H. DUNCAN and EVELYN DUNCAN, husband and wife, Mortgagors, to Federal Land Bank of Spokane, a corporation, Mortgagee, dated May 20, 1982, except as otherwise provided hereinafter. This deed shall not operate to preclude Grantee from proceeding in any action to enforce the Mortgage, but shall preclude Grantee from obtaining a deficiency judgment, or a judgment on the promissory note without foreclosure, against Grantors.

For and in consideration of Grantee's acceptance of this deed, and Grantee's agreement not to execute upon any personal assets of the Grantor not described herein, Grantor releases, acquits and discharges Grantee of all claims, rights, demands and causes of action which Grantor may have against Grantee arising prior to the effective date of this conveyance.

Grantors do hereby waive, surrender, convey, and relinquish any equity of redemption and statutory rights of redemption concerning the property in the Mortgage described above. Grantor recognizes that Grantee shall have no duty to account to Grantor in the event Grantee shall elect to foreclose its lien upon the real property.

Grantors hereby surrender and deliver possession of the property to Grantee.

32175

Grantors declare that this conveyance is freely and fairly made, and 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.

IN WITNESS WHEREOF, the Grantors have hereunto set their hands the day and year first above written.

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 AND TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930.

Dated this 13th day of October, 1994.

Rollin R. Throne
Rollin R. Throne

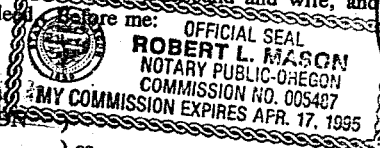
Leith Throne
Leith Throne

Peter V. Johnson
Peter V. Johnson

Terri L. Johnson
Terri L. Johnson

STATE OF OREGON)
) ss.
County of Klamath)

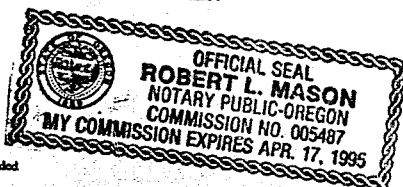
On this 13th day of October, 1994, personally appeared the above named ROLLIN R. THRONE and LEITH THRONE, husband and wife, and acknowledged the foregoing instrument to be their voluntary act and deed. Before me:



[Signature]
Notary Public for Oregon
My commission expires: 4-17-95

STATE OF OREGON)
) ss.
County of Klamath)

On this 13th day of October, 1994, personally appeared the above named PETER V. JOHNSON and TERRI L. JOHNSON, husband and wife, and acknowledged the foregoing instrument to be their voluntary act and deed. Before me:



[Signature]
Notary Public for Oregon
My commission expires: 4-17-95

PAGE 3 - NON-MERGER WARRANTY DEED IN LIEU OF FORECLOSURE

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Farm Credit Services the 14th day
of Oct A.D., 19 94 at 3:48 o'clock P M., and duly recorded in Vol. M94
of Deeds on Page 32173

FEE \$40.00

Evelyn Biehn

County Clerk

By [Signature]