

DEED IN LIEU OF FORECLOSURE

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.

Grantor is the owner of the premises free of all encumbrances except the deed of trust executed to grantee, dated May 5, 1994, and recorded at Real M-94, page 14323 of the official records of Klamath County, Oregon, and except [describe other encumbrances.]

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.

By acceptance of this deed, grantee covenants and agrees that he shall forever forbear taking any action whatsoever to collect against grantor on the promissory note given to secure the trust deed, and that in any proceeding to foreclose the trust deed, he shall not seek, obtain, or permit a deficiency judgment against grantor, or his heirs or assigns, such rights and remedies being hereby waived.

Grantor does hereby waive, surrender, convey, and relinquish any equity of redemption and statutory rights of redemption concerning the real property and trust deed described above.

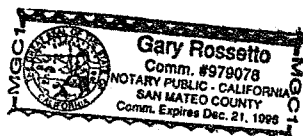
Grantor is not acting under misapprehension as to the legal effect of this deed, or under any duress, undue influence, or misrepresentation of grantee, grantee's agent or attorney, or any other person.

DATED this 31 day of MAY, 1995.

William T. Hickson Jr.
Grantor

STATE OF CALIFORNIA)
County of SAN MATEO) ss.

Personally appeared the above-named William T. Hickson Jr. and acknowledged the foregoing instrument to be his voluntary act and deed.



[Signature]
Notary Public for California
My Commission Expires: 12-21-98

STATE OF OREGON)
) ss.
County of Klamath)

I CERTIFY that the within instrument was filed in my
office on the 14th day of June, 1995, at 10:09 o'clock
A M. and recorded in book M95, on page 15615, or as
file/reel number 1496, Record of Index of ~~XXXXXXXXXX~~
~~XXXXXXXXXX~~ Deeds
~~XXXXXXXXXX~~
of said County.

Bernetha G. Letsch, Co Clerk
Recording Officer
By: [Signature]
Deputy

FEE:\$35.00

AFTER RECORDING RETURN TO:

Peter J. Richard, Esq.
Aspell, Della-Rose & Richard
Attorneys at Law
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Klamath Falls, OR 97601
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