

THIS INDENTURE between South Valley State Bank, hereinafter called the "First Party," and Ozdjan N. Hassan and Bonnie L. Hassan, husband and wife, hereinafter called the "Second Party;"

WITNESSETH:

WHEREAS, the equitable title to the real property hereinafter described is in the First Party, subject to the lien of a Land Sale Contract, dated September 30, 1986, and recorded September 30, 1986, in the records of Klamath County, at book M-86 at page ~~117761~~ ¹⁷⁷⁶¹, wherein Phyllis R. May is vendor and Batsell Bros. Oil Company, an Oregon partnership, Richard R. Batsell and Larry D. Batsell are vendees; said Land Sale Contract was thereafter amended and modified by virtue of certain instruments described as follows:

- A. Security interest in the nature of an Assignment of Real Estate Contract,
Dated: September 30, 1986
Recorded: May 18, 1986
Volume M86 page 9565, Microfilm Records of Klamath County, Oregon
From: Batsell Bros. Oil Company, an Oregon Partnership; Richard R. Batsell and Larry D. Batsell
To: South Valley State Bank
- B. Security interest in the nature of an Assignment of Real Estate Contract,
Dated: October 18, 1988
Recorded: October 21, 1988
Volume M88 page 17753, Microfilm Records of Klamath County, Oregon
From: Batsell Bros. Oil Company, an Oregon Partnership; Richard R. Batsell and Larry D. Batsell
To: South Valley State Bank
- C. Assignment of Contract for Collateral Purposes, subject to the terms and provisions thereof;
Dated: April 20, 1990
Recorded: May 18, 1990
Volume: M88 page 17753, Microfilm Records of Klamath County, Oregon
From: Batsell Bros. Oil Company, an Oregon partnership
To: South Valley State Bank
- D. The Vendor's interest in the hereinabove contract was assigned by Assignment of Vendor's Interest in Real Estate Contract
Dated: March 7, 1996
Recorded: 1996
Volume M96 page _____, Microfilm Records of Klamath County, Oregon
From: Phyllis R. May to Ozdjan N. Hassan and Bonnie L. Hassan, husband and wife Phyllis R. May

reference to said records hereby being made, and the indebtedness secured by said Land Sale Contract is now owned by the Second Party, on which said indebtedness there is now owing and unpaid the sum of \$29,939.05, together with interest on said sum at the rate of 9.5% per annum from March 6, 1996, until paid; in addition, real property taxes are unpaid and delinquent in the sum of \$10,351.49; the same being now in default and said indebtedness being now subject to immediate foreclosure, and whereas the First Party, being unwilling to pay the same, has requested the Second Party to accept an absolute deed of conveyance of said property in lieu of foreclosure and the Second Party does now accede to said request.

GRANTOR NAME AND ADDRESS _____

GRANTEE NAME AND ADDRESS _____

AFTER RECORDING RETURN TO SOUTH VALLEY STATE BANK, P.O. BOX 5210, KLAMATH FALLS, ORE.

SEND TAX STATEMENTS TO _____

NOW, THEREFORE, for the consideration hereinafter stated the First Party does convey and warrant unto the Second Party, his heirs, successors, and assigns, all of that certain real property situated in the County of Klamath, State of Oregon, legally described on the attached Exhibit "A" Legal Description, which Exhibit "A" is incorporated by reference herein as if fully set forth.

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.

FIRST PARTY covenants with the Second Party, his heirs, successors and assigns, that the First Party owns an equitable interest in the property, free and clear of encumbrances except said Land Sale Contract; 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 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 conveyance is \$ -0-. However, the actual consideration consists of or includes other property or value given or promised which is the whole consideration, being in lieu of foreclosure.

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 individuals.

IN WITNESS WHEREOF, the First Party above named has executed this instrument; if First Party is a corporation, it has caused its corporate name to be signed hereto and its corporate seal affixed by its officers duly authorized thereunto by order of its Board of Directors.

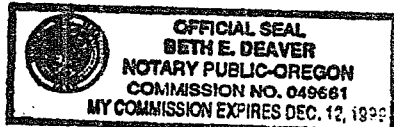
DATED this 11TH day of OCTOBER, 1996.

SOUTH VALLEY STATE BANK

by: William E Castle

STATE OF OREGON/County of Klamath) ss.

THE FOREGOING INSTRUMENT was acknowledged before me this 11TH day of OCTOBER, 1996, by **WILLIAM E. CASTLE***** as EXECUTIVE VICE PRESIDENT of South Valley State Bank on behalf of said South Valley State Bank.



Beth E. Deaver
NOTARY PUBLIC FOR OREGON
My Commission expires: 12-12-99

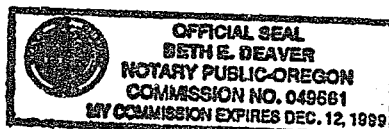


EXHIBIT "A"
LEGAL DESCRIPTION

All that portion of Lot 15, Block "C", HOMECREST ADDITION, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon, and Lot 1 and the Westerly 20 feet of Lot 2, Block 3, BRYANT TRACTS, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon. Oregon, lying Northeasterly of Klamath Falls-Malin Highway, (State Highway No. 50), and more particularly described as follows:

Beginning at a point on the South line of Shasta Way which is East a distance of 20.0 feet from the Northeast corner of Lot 1, Block 3, BRYANT TRACTS; thence South 0 degrees 09' 30" East, parallel with the East line of said Lot 1, a distance of 158.5 feet, more or less, to a point on a line parallel to and 100 feet distant Northeasterly at right angles from the center line of the relocated Klamath Falls-Malin Highway (State Highway No. 50); thence North 40 degrees 00' West a distance of 206.56, more or less, to a point on the South line of Shasta Way, said point also being the point of intersection of the North line of Lot 15, Block "C", HOMECREST and the Northeasterly right-of-way line of said Highway; thence East, along the South line of Shasta Way a distance of 131.85 feet, more or less, to the point of beginning.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Aspen Title & Escrow the 31st day
of October A.D., 19 96 at 3:53 o'clock P M., and duly recorded in Vol. M96
of Deeds on Page 34444

Bernetha G. Letsch County Clerk

By

Kathleen Ross

FEE \$40.00