

DEED IN LIEU OF FORECLOSURE

MICHAEL E. GRAUNITZ, also known as MICHAEL C. GRAUNITZ, Grantor, conveys to DICK HOPPES and BARBARA-LEE HOPPES, husband and wife, Grantees, the following described real property situated in Klamath County, State of Oregon:

Lots 31 and 32 in Block 6 of WAGON TRAIL ACREAGES NO. 1 SECOND ADDITION, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

SUBJECT TO: (1) Subject to the terms and provisions of Wagon Trail Ranch Homeowners Association as set forth in plat dedication. (2) Reservations and restrictions as contained in plat dedication of Wagon Trail Acreages No. 1, Second Addition, to-wit: "NOTE: Mobile Homes are permitted on Lots except the following: Lots 1 through 6, 12 through 18, 27 through 39, 44 and 45 in Block 6, Lot 1 in Block 7, Lots 1 and 10 through 15 in Block 8, Lots 1 through 3, 7 and 8 in Block 9." (3) Declaration, restrictions, protective covenants and conditions for Wagon Trail Ranch recorded in Volume M72, page 9766, and Declaration subjecting Wagon Trail Acreages Number One, Second Addition to the Declarations, restrictions, protective covenants and conditions of Wagon Trail Ranch, recorded in Volume M75, page 8741, Microfilm Records of Klamath County, Oregon. (4) Subject to a 16 foot public utilities easement along the Southerly lot line, as shown on dedicated plat. (Affects Lot 31) (5) Subject to a 20 foot public utilities easement along the Southerly lot line, as shown on dedicated plat (Affects Lot 32).

Grantor covenants that:

This deed is absolute in effect and conveys fee simple title of the premises above described to 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 Trust Deed executed to Grantees, dated December 18, 1997, and recorded on December 20, 1997 in Vol. M96 of Mortgages at page 39522, records of Klamath County, Oregon.

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

By acceptance of this deed, Grantees covenant and agree that they shall forever forbear taking any action whatsoever to collect against Grantor on the promissory note given to secure the Trust Deed above described, other than by foreclosure of that Trust Deed, and that in any proceeding to foreclose the Trust Deed they 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 mortgage described above.

Grantor is not acting under any misapprehension as to the effect of this deed, nor under any duress, undue influence, or misrepresentation of Grantees, Grantees'

agent or attorney, or any other person.

Grantor is aware and by execution hereof acknowledges that this document has been prepared by the attorneys for the Grantees and that Grantor has been advised to seek independent legal counsel, which he has done.

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.

The true and actual consideration paid for this transfer, stated in terms of dollars, is \$ -0-. However, the actual consideration consists of or includes other property or value given or promised which is the whole consideration.

Unless a change is requested, all tax statements shall be sent to above named Grantees at the following address: _____
P.O. BOX 276 PRINEVILLE, OR 97754

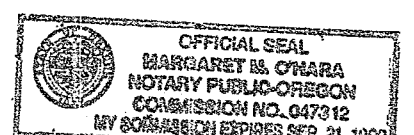
DATED this 23 day of March, 1997.

Michael E. Graunitz
MICHAEL E. GRAUNITZ
also known as MICHAEL C. GRAUNITZ

STATE OF OREGON)
) ss.
County of Crook)

On this 23 day of March, 1997, personally appeared the above named MICHAEL E. GRAUNITZ and acknowledged the foregoing instrument to be his voluntary act and deed.

Margaret M. O'Hara
NOTARY PUBLIC FOR OREGON
My Commission Expires: Sept 21, 1999



Code 051
Key No. 128855 & 128846
Account No. 2309-001CO-05700 & 2309-001CO-005800

RECORD AND RETURN TO:
Voorhees & Larson
298 W. Third Street
Prineville, OR 97754

STATE OF OREGON, ss.
County of Klamath
Filed for record at request of:

2 - DEED IN LIEU OF FORECLOSURE

Voorhees & Larson
on this 6th day of June A.D., 1997
at 11:30 o'clock A. M. and duly recorded
in Vol. M97 of Deeds Page 17383
Bernetha G. Letsch, County Clerk
By Kathleen Ross
Fee, \$35.00 Deputy