

Grantor: Boyd C. Yaden, Trustee  
 Grantee: Henry J. Caldwell, Jr. and Deborah Caldwell, husband and wife

After recording return to: 7990 Hill Road  
Klamath Falls, OR 97603

Send all tax notices to: same as above

97 JUL -6 P 3:46  
 KNOW ALL MEN BY THESE PRESENTS that the Bankruptcy Estate of Diversified Fiber Products, Inc., an Oregon corporation, Bankruptcy Case No. 695-61354aer7, now pending in the United States Bankruptcy Court for the District of Oregon, by and through its duly appointed and acting Trustee, Boyd C. Yaden, herein called "GRANTOR", acting in his capacity as Trustee and not individually, by virtue of the power and authority given a bankruptcy trustee under the laws of the United States of America, for the consideration hereinafter stated, does hereby grant, bargain, sell, convey and release to, Henry J. Caldwell Jr. and Deborah Caldwell, husband and wife, herein called "GRANTEE", and unto Grantee's successors and assigns, all of the interest vested in the Debtors in the subject property described herein, at the time of the filing of the above referenced bankruptcy case, and which passed to the Bankruptcy Estate by operation of law and became subject to administration of the Trustee, together with all after acquired title of the Bankruptcy Estate, if any, all tenements, hereditaments, appurtenances thereunto belonging, or in any way appertaining, situated in Klamath County, State of Oregon, described as follows, to-wit:

That portion of Lot 1, Section 7, Township 39 South, Range 10 East of the Willamette Meridian, in the county of Klamath, State of Oregon, which is described in a deed recorded in Book 102 at Page 26, Deed Records of Klamath County, Oregon, more particularly described as follows:

Beginning at the Southwest corner of Lot 1, of Section 7, Township 39 South, Range 10 East of the Willamette Meridian, thence Easterly along the Southerly line of said Lot 1, a distance of 231.75 feet; thence Northerly along a line parallel with the Westerly line of said Lot 1 a distance of 360 feet; thence Westerly parallel with the southerly line of said Lot 1 a distance of 231.75 feet to a point on the West line of said Lot 1; thence southerly along the West line of said Lot 1 a distance of 360 feet to the point of beginning.

SAVING AND EXCEPTING rights of way heretofore decded for highway purposes including portion conveyed to State of Oregon, by and through its State Highway Commission by Deed recorded December 6, 1971 in Volume M71 page 12732, Deed records of Klamath County, Oregon.

ALSO EXCEPTING that portion lying within the boundaries of Western Avenue.  
 SUBJECT TO AND EXCEPTING:

All liens, encumbrances, easements, or any other interest of record, of any type or nature except those specified in the notice to sell filed in the Bankruptcy Court.

The Trustee's power and authority to dispose of such property of the Bankruptcy Estate originates in 11 USC §363, and this transfer is made following notice to "interested persons" and an opportunity for hearing pursuant to such law.

The consideration for this transfer is release of the secured claim in against the Bankruptcy Estate and \$5,000.00.

Grantor makes this conveyance without any warranties express or implied. This conveyance and release is intended to transfer all of the Bankruptcy Estate's interest, if any, in the subject property described herein, to the Grantee, in its existing condition, AS IS, without any warranties express or implied. Grantee's recording of this Deed indicates Grantee's acceptance of this conveyance and release upon that basis.

Grantor covenants that this Deed is to be absolute in effect as pertains to the Bankruptcy Estate and conveys whatever right, title and interest the Bankruptcy Estate may have in the described property. This conveyance and release is not intended to operate as a mortgage, trust deed or security of any kind.

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 Grantor for the indebtedness evidenced by the promissory note secured by that certain Trust Deed executed by Diversified Fiber Company, Inc., Grantor, to Henry J. Caldwell, Jr. and Deborah L. Caldwell, Beneficiary, dated January 26, 1995, and recorded on January 30, 1995, in Volume M95, page 2102, Microfilm Records of Klamath County, Oregon, except as otherwise provided hereinafter. This deed shall not operate to preclude Grantee from proceeding in any action to enforce the Deed of Trust, but shall preclude Grantee from obtaining a deficiency judgment, or a judgment on the promissory note without foreclosure, against Grantor.

Grantor does hereby waive, surrender, convey, and relinquish any equity of redemption and statutory rights of redemption concerning the property in Deed of Trust 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.

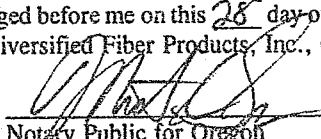
THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES AND TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930.

IN WITNESS WHEREOF, Grantor has executed this Deed this 18<sup>th</sup> day of May, 1997.

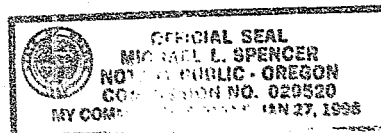
  
Boyd C. Yaden, Trustee

STATE OF OREGON )  
 ) ss.  
County of Marion )

This instrument was acknowledged before me on this 28<sup>th</sup> day of May, 1997, by Boyd C. Yaden, Trustee for the Bankruptcy Estate of Diversified Fiber Products, Inc., Case No. 695-61354-aer7.

  
Notary Public for Oregon

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sjn 5/23/97



Page 2 - BANKRUPTCY TRUSTEE'S DEED (Non-Merger)

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Ameri title the 6th day  
of June A.D., 19 97 at 3:46 o'clock P. M., and duly recorded in Vol. M97  
of Deeds on Page 17528.

FEE \$35.00

By Bernetha G. Leisch, County Clerk  
