

MTC 1396-50029

AFTER RECORDING, RETURN TO:
John L. Shama
P.O. Box 180
Walterville, OR 97489

SEND TAX STATEMENTS TO:
John L. Shama
P.O. Box 180
Walterville, OR 97489

TRUE AND ACTUAL CONSIDERATION: The true and actual consideration paid for this conveyance is other than cash and consists of the release of Grantor from any liability for further payment under the trust deed

DEED IN LIEU OF FORECLOSURE
(NONMERGER-Trust Deed)

Cathy King, Grantor, conveys and warrants to South Valley Bank and Trust, an Oregon Banking Corporation, Custodian for John L. Shama Rollover IRA, Grantee, it successors and assigns the following described real property situation in Lane County, Oregon, to-wit:

Lot 17 of EVERGREEN MEADOWS - TRACT 1302, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

together with all improvements, fixtures hereditaments and appurtenances belonging or in any way appertaining thereto(Property).

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

This deed does not effect a merger of the fee ownership and the lien of the trust deed. The fee and lien shall remain separate and distinct.

Grantor is the owner of the property free of all encumbrances except the trust deed executed to Grantee dated January 30, 1998, and recorded on February 9, 1998, Volume M98, page 4241, Microfilm Records of Klamath County, Oregon; beneficial easements, reservations and restrictions of record.

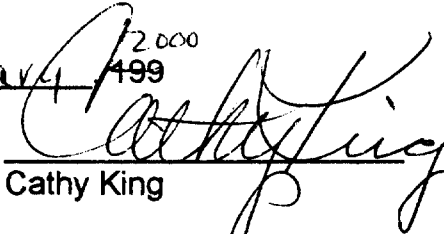
The trust deed is in default and subject to immediate foreclosure. By acceptance of this deed, Grantee agrees that Grantee shall not take any action to collect against Grantor on the remaining obligations due on the trust deed executed to Grantee dated January 30, 1998, other than by foreclosure of that trust deed and in any such proceeding, Grantee shall not seek, obtain or permit a deficiency judgment against Grantor or Grantor's successors or assigns. In consideration of said agreement by Grantee and the benefit received by Grantor of being able to remain in possession of the property until relinquished

at the time of this conveyance, Grantee may retain all payments previously made on the trust deed with no duty to account therefor.

Grantor waives, surrenders, conveys and relinquishes and equity of redemption and statutory rights of redemption concerning the property and the trust deed. Grantor is not acting under any misapprehension as to the legal effect of this deed, nor under any duress, undue influence or misrepresentation by Grantee or Grantee's agent or attorney or any other person.

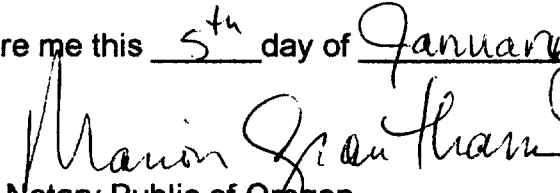
Grantee shall be deemed to have accepted this deed only when Grantee records this deed.

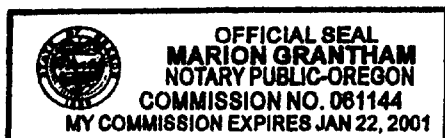
THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO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

Dated this 5th of January ²⁰⁰⁰~~1999~~

 Cathy King

STATE OF OREGON)
 Klamath ss.
 County of ~~Lane~~)

This instrument was acknowledged before me this 5th day of January
~~199~~ by Cathy King.
 2000


 Notary Public of Oregon
 My Commission Expires: 1/22/01



AMERITITLE, has recorded this
 Instrument by request as an accomodation only,
 and has not examined it for regularity and sufficiency
 or as to its effect upon the title to any real property
 that may be described therein.

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LETTER AND CERTIFICATE OF ACQUISITION

PARTIES: Washington Mutual Bank, a Washington State Chartered
Stock Savings Bank

AND: South Valley Bank & Trust
An Oregon Banking Corporation

RECITALS

- A. Washington Mutual Bank has conducted a trust business in the state of Oregon under the name and style of Western Bank.
- B. On April 2, 1999, Washington Mutual Bank sold and conveyed to South Valley Bank & Trust its trust business including but not limited to physical assets, employee contracts and trust accounts by the means of a Succession and Asset Purchase Agreement.
- C. Washington Mutual Bank specifically conveyed the John L. Shama Rollover IRA to South Valley Bank & Trust.

LETTER OF ACQUISITION

KNOW, that on April 2, 1999, Washington Mutual Bank, in its fiduciary capacity, conveyed and assigned the above-mentioned trust account and the assets held therein to South Valley Bank & Trust in its fiduciary capacity and designated South Valley Bank & Trust as trustee, agent, custodian, attorney-in-fact, or other fiduciary capacity to maintain and manage the assets of the above-entitled trust pursuant to the governing documents and the laws of the state of Oregon.

IN WITNESS WHEREOF, I have executed this Letter of Acquisition the 6 day of May 1999.

Washington Mutual Bank

By: Larry Bosworth

Larry Bosworth

CERTIFICATE OF ACQUISITION

State of Oregon, County of Klamath

Recorded 1/6/00, at 3:35 p.m.

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Linda Smith,

County Clerk

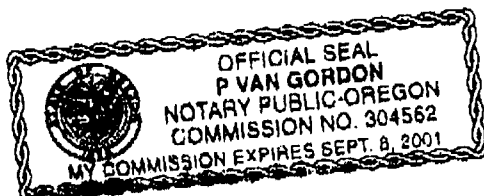
Fee \$ 31.00

STATE OF OREGON)
) ss.
COUNTY OF JACKSON)

I, Larry Bosworth, hereby certify that the foregoing Letter of Acquisition is documentary evidence of the transfer of the above-mentioned trust account and its assets to South Valley Bank & Trust by Washington Mutual Bank pursuant to the Succession and Asset Purchase Agreement and that I am authorized by Washington Mutual Bank to issue this Letter and Certificate of Acquisition.

Larry Bosworth
Larry Bosworth

SUBSCRIBED AND SWORN to before me this 6th day of May, 1999.



[Signature]
Notary Public for Oregon

My Commission Expires: 9-8-2001