

Richard Queener and Christine Queener, First Party
2480 Meadow Lane
Sprague River, Oregon 97639

John W. Weil, Successor Trustee, Second Party
1100 S.W. Sixth Avenue, Suite 1507
Portland, Oregon 97204

After recording return to:

John W. Weil
1100 S.W. Sixth, Suite 1507
Portland, Oregon 97204

Until a change is requested

mail all tax statements to:

Associates Housing Finance, LLC
1431 Center Point Blvd.
P.O. Box 32965
Knoxville, Tennessee 37932

mtc S 1010
DEED IN LIEU OF FORECLOSURE

THIS INDENTURE between Richard Queener and Christine Queener, hereinafter called the first party, and Associates Housing Finance, LLC, hereinafter called the second party; WITNESSETH:

WHEREAS, the title to the real property hereinafter described is vested in fee simple in the first party, subject to the lien of a mortgage or trust deed recorded in the Records of the county hereinafter named, in volume No. M98 on page 44354, of the microfilm records, reference to those Records hereby being made, and the notes and indebtedness secured by the mortgage or trust deed are now owned by the second party, on which notes and indebtedness there is now owing and unpaid the sum of \$122,023.92, the same being now in default and the mortgage or trust deed being now subject to immediate foreclosure; and whereas the first party, being unable to pay the same, has requested the second party to accept an absolute deed of conveyance of the property in satisfaction of the indebtedness secured by the mortgage or trust deed, and the second party does not accede to that request:

NOW, THEREFORE, for the consideration hereinafter stated (which includes the cancellation of the notes and the indebtedness secured by the mortgage or trust deed), the first party does hereby grant, bargain, sell and convey unto the second party and to second party's heirs, successors, and assigns, all of the following described real property with the tenements, hereditaments and appurtenances thereunto belonging or in any way appertaining, situated in Klamath County, State of Oregon, to-wit:

The E ½ of Government Lot 17, Section 14, Township 36 South, Range 10 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

The true and actual consideration for this conveyance is \$122,023.92 in the form of cancellation of indebtedness.

TO HAVE AND TO HOLD the same unto the second party and second party's heirs, successors and assigns forever.

And the first party, for first party and first party's heirs and legal representatives, does covenant to and with the second party and second party's heirs, successors and assigns, that the first party is lawfully seized in fee simple of the property, free and clear of encumbrances except the mortgage or trust deed; 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 the 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 the premises hereby is surrendered and delivered to the 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 not given as a preference over other creditors of the first party, and that at this time there is no person, partnership or corporation, other than the second party, interested in the premises directly or indirectly, in any manner whatsoever, except as set forth above.

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 includes the plural, and that all grammatical changes shall be made, assumed and implied to make the provisions hereof apply equally to corporations and to individuals.

IN WITNESS WHEREOF, the first party has executed this instrument. If first party is a corporation, it has caused its name to be signed and its seal, if any, affixed by an officer or other person duly authorized to do so by order of its board of directors.

Dated this 20 day of July, 2000.

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.

Richard & Christine Queener
Christine L. Queener

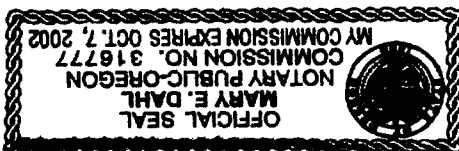
State of Oregon, County of Klamath
Recorded 08/07/00, at 11:25 a. m.
In Vol. M00 Page 28798
Linda Smith,
County Clerk Fee \$ 26⁰⁰

STATE OF OREGON)

County of KLAMATH) ss.

This instrument was acknowledged before me this 20 day of July, 2000, by Richard & Christine Queener

This instrument was acknowledged before me this _____ day of _____, 2000, by _____ as _____ of _____.



Mary E. Dahl
Notary Public for Oregon
My Commission Expires: 10-7-2002