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After recording, return to (File No. 78160013)

Until a change is requested, all tax statements shall be sent to the following address:

James M. Severin 36358 Modoc Point Rd. Chiloquin OR 97624

NO CHANGE

STATUTORY SPECIAL WARRANTY DEED IN LIEU OF FORECLOSURE

GRANTOR: K.D. Martin and Kathryn Martin, husband and wife

For the consideration hereinafter stated, does hereby grant, bargain, sell, convey and specially warrant unto

GRANTEE: James M. Severin and unto Grantee's successors and assigns,

All of that certain real property with the tenements, hereditaments and appurtenances thereto belonging or in any way appertaining and free of encumbrances created or suffered by Grantor except as specifically set forth herein, situated in Klamath County, Oregon and more particularly described as follows:

Lot 1, Block 8, WEST CHILOQUIN, also the East one-half of the vacated alley, adjacent to and Westerly of Lot 1, Block 8, WEST CHILOQUIN, in the County of Klamath, State of Oregon.

CODE 12, MAP 3407-34CD, TAX LOT 7300

Grantor covenants and specially warrants that:

This deed is absolute in effect and conveys fee simple title of the premises above described to Grantee and unto Grantee's successors and assigns, 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 Grantee dated July 26, 2000, and recorded on July 27, 2000, at Volume M00, page 27423 of the official records of Klamath County, Oregon, and except:

- 1. All easements and encumbrances of record;
- 2. All encumbrances which existed at the time of the execution of the above trust deed; and

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.

Grantor is not under any misapprehension as to the effect of this deed, nor under any duress, undue influence, or misrepresentation by Grantee, its agents, attorneys or other persons.

By acceptance of this deed, Grantee covenants and agrees that he shall forever forebear 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, he shall not seek, obtain or permit a deficiency judgment against Grantor, their 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 the subject hereof.

The true consideration for this transfer is other value given, including without limitation, Grantee's waiver of its right to a deficiency judgment as to the above-mentioned trust deed.

In construing this deed and where the context so requires, the singular includes the plural and grammatical changes shall be applied to make provisions apply equally to corporations and individuals, and the masculine includes the feminine and the neuter. The use of the word Buyer is a statutory requirement, and the parties hereto do not intend nor should this instrument be construed as representing a purchase by Grantee of the real property described herein from Grantor for any reasons.

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THE 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. ORS 93.040(1)

THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS, WHICH, IN FARM OR FOREST ZONES MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND WHICH LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930 IN ALL ZONES. 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 EXISTENCE OF FIRE PROTECTION FOR STRUCTURES. ORS 93.040(2)

IN WITNESS WHEREOF, the Grantor has executed this instrument this day of	
January, 2001.	•
1	
	KA V.
•	V States
	K.D. Marun
	Kathryn Martin
	Kathryn Martin
STATE OF OREGON)	
) ss.	
County of Klamath)	
This instrument was acknowledged before m	ne on ganuary 16, 2001, by
K.D. MARTIN AND KATHRYN MARTIN.	
TO .C	M & Silverice
Before me:	
	NOTARY PUBLIC FOR OREGON
	My Commission Expires: 11-01-04
OFFICIAL SEAL M. A. SILVERIA	
NOTARY PUBLIC-OREGON	
COMMISSION NO. 340010 MY COMMISSION EXPIRES NOV. 1, 2004	
MIT COMMISSION EAFINES NOV. 1, 2004	

State of Oregon, County of Klamath Recorded 01/16/01, at //.48a m. In Vol. M01 Page / 709 Linda Smith, County Clerk Fee\$_3/00