

After Recording Return To:

Steven L. Philpott
Centennial Bank
P.O. Box 1560
Eugene, OR 97440-4262

Send Tax Statements To:

Centennial Bank
attn: Legal Dept.
P.O. Box 1560
Eugene, OR 97440-4262

True Consideration: \$-0-

Tax Account No. R872033

State of Oregon, County of Klamath

Recorded 04/05/2002 2:05 P m.

Vol M02, Pg 20148-50

Linda Smith, County Clerk

Fee \$ 31.00 # of Pgs 3

ESTOPPEL DEED IN LIEU OF FORECLOSURE

Gregrey L. Baker and Denise V. Baker, husband and wife, **GRANTOR**, hereby convey and warrant to **Centennial Bank**, an Oregon state-chartered bank, **GRANTEE**, the following described property, free of encumbrances except as set forth herein:

Lot 9, Block 2, Tract 1263, QUAIL RIDGE SUBDIVISION, in the County of Klamath, State of Oregon (the "Real Property").

1. To secure performance of the Centennial/MDM Settlement Agreement dated April 30, 1996, as amended, given to Grantee, Grantor executed and delivered to Grantee a Trust Deed (the "Trust Deed") on the Real Property, dated July 18, 2000, recorded August 4, 2000, in Vol. M00, Page 28610, Official Records of Klamath County, Oregon.

2. The obligation secured by the Trust Deed is in default and the entire unpaid balance, together with all accrued interest, costs of title search, court costs and disbursements, and Grantee's reasonable attorney fees, are now due and payable in full.

3. Grantee has made demand upon Grantor to pay the unpaid balance of the obligation secured by the Trust Deed. Grantor is unable to pay that obligation and has requested that Grantee accept an absolute deed of conveyance of the property in satisfaction of the obligation secured by the Trust Deed.

4. Grantor warrants that the Property is free and clear of all liens and encumbrances except:

- (a) 2001-02 real property taxes in the amount of \$587.70 plus interest;
- (b) Easements, covenants and conditions of record; and

(c) The Trust Deed described in section 1, above.

Grantee does not assume or agree to pay any of the foregoing liens or encumbrances.

5. This deed in lieu of foreclosure shall not effect a merger of the fee ownership and the lien of the described Trust Deed with respect to the claims or interest in the property held by third parties. Grantee's security interest shall retain such priority as it had over the liens, claims and interest of third parties, prior to Grantee's acceptance and recording of this conveyance.

6. Grantee shall be deemed to have accepted this deed only upon Grantee's execution of the acceptance set forth below and Grantee's recording of this instrument. By acceptance of this deed, Grantee covenants and agrees that he shall not seek, obtain or permit a money judgment against Grantor on the obligation secured by said Trust Deed, and Grantee's right to a money judgment is hereby waived.

7. This deed is intended as an absolute conveyance of the title to the Property and a conveyance of all statutory rights of redemption and equity of redemption that Grantor may have therein. This instrument is not intended as a mortgage, trust deed or security of any kind. Grantee shall be entitled to possession of the Property upon Grantee's acceptance of this deed. If Grantor or any other person or persons claiming by, through or under Grantor remains in possession of the Real Property following Grantee's acceptance of this deed, Grantor and such other person(s) shall be deemed a tenant at sufferance holding possession without any agreement to occupy and Grantee may recover possession of the Real Property pursuant to ORS 105.105 et seq.

8. This deed shall have the effect and include those covenants as are granted in a statutory warranty deed. This instrument shall benefit and be binding upon the parties, their heirs, successors and assigns. As used herein, the singular shall include the plural, and the plural the singular. The masculine shall include the feminine and neuter, as the context requires. In the event suit, action or other legal proceeding is necessary to interpret or enforce the covenants and conditions set forth herein, Grantor shall pay all reasonable attorney fees incurred by Grantee in connection therewith, with the amount of such fees to be determined by the trial and appellate courts in which the matter is decided. The laws of the State of Oregon shall govern this instrument and the rights of the parties.

9. Grantor is not acting under any misapprehension as to the legal effect of this deed. Grantor is not acting under any duress, undue influence or misrepresentation of Grantee, its agent, attorney, or any other person. Grantor has executed this instrument only after having the opportunity to consult independent legal counsel. The covenants and warranties contained herein shall survive the delivery and acceptance of this deed.

10. The true and actual consideration for this conveyance is other than cash and consists of the release and waiver by Grantee of any right to recover a money judgment or deficiency award against Grantor.

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 instrument on this 27th day of March, 2002.

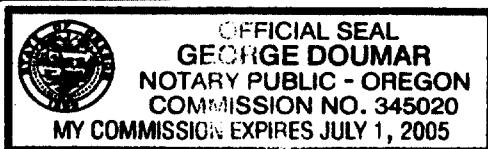
GRANTOR:

Gregory L. Baker
Gregrey L. Baker

Denise V Baker
Denise V. Baker

STATE OF OREGON, County of Klamath, ss.

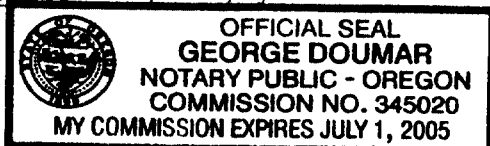
The foregoing instrument was acknowledged before me this 27 day of March, 2002, by Gregrey L. Baker.



George Doumar
Notary Public for Oregon

STATE OF OREGON, County of _____, ss.

The foregoing instrument was acknowledged before me this 27 day of March, 2002, by Denise V. Baker.



George Doumar
Notary Public for Oregon

THE FOREGOING INSTRUMENT IS HEREBY ACCEPTED upon the terms and conditions set forth herein, with such acceptance to be effective upon the recording of this instrument.

DATED this 4th day of April, 2002.

Centennial Bank

By: Collin L. Alspach
Name: Collin L. Alspach
Title: Senior Vice President