

Larry Davis, Grantor

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Debra McElroy, Grantee

After Recording return to:
Debra McElroy
5720 77th Street,
Lubbock, TX 79424

State of Oregon, County of Klamath
Recorded 04/18/2002 3:13 p m.
Vol M02. Pg 22965-66
Linda Smith. County Clerk
Fee \$ 26⁰⁰ # of Pgs 2

mtc 56382

102 APR 18 PM 3:13

DEED IN LIEU OF FORECLOSURE

THIS INDENTURE between Larry Davis, hereinafter called Grantor, and Debra McElroy, hereinafter called Grantee;
WITNESSETH:

Whereas, this deed is absolute in effect and conveys to Grantee, her heirs, successors and assigns forever, fee simple title of the real property at hereinafter described together with all of the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, and does not operate as a mortgage, trust conveyance or security of any kind;

The real property situated in Klamath County, in the State of Oregon is described as:
W ½ NW 1/4; NW 1/4 SW 1/4 NW 1/4 of Section 1, Township 36 South, Range 11 East, Willamette Meridian, Klamath County, State of Oregon.
Tax Account # 3611-001B0-04500-000

Grantor covenants that:

Grantor is the owner of the premises free of all encumbrances except the Trust Deed executed to Grantee dated July 20, 2000 and recorded on August 2, 2000 at Volume No. M00, page 27748 Microfilm records of Klamath County, foreclosure of which has motivated this conveyance;

This deed does not effect a merger of the fee ownership and the lien of the subject trust deed or mortgage described above. The fee and lien shall hereafter remain separate and distinct.

In consideration of Grantee not proceeding to foreclosure, Grantee's waiver of the right to claim reasonable attorney fees and costs in that action; and Grantor's benefit in remaining in possession of the premises until relinquished at the time of this conveyance, Grantee may retain all payments previously made on the secured debt with no duty to account therefor

By acceptance of this deed, Grantee covenants and agrees that he shall forever forbear taking any action whatsoever to collect against Grantor on the promissory note given to secure the mortgage described above, other than by foreclosure of that mortgage, and that in any proceeding to foreclose the mortgage he shall not seek, obtain or permit a deficiency judgment against Grantor, or her 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 hereinafter described and mortgage above described.

Grantor is not acting under any misapprehension as to the legal effect of this deed, nor under any duress, undue influence, or misrepresentation of the Grantee, the Grantee's attorney, or any other person.

There is now owing and unpaid a sum of money on the notes and indebtedness secured by the mortgage or trust deed to Grantee, which notes and indebtedness being now in default and said mortgage or trust deed in Grantee being now subject to foreclosure, and whereas Grantor, being unable to pay the same, has agreed to this conveyance.

NOW, THEREFORE, for the consideration hereinafter stated, Grantor does hereby grant, bargain, sell and convey unto Grantee, his heirs, successors and assigns, all of the above described real property.

