

02 MAY 1 PM3:30

ASPEN 54601

AFTER RECORDING RETURN TO:

MICHAEL J. BIRD

PO BOX 10

GRANTS PASS OR 97528

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UNTIL A CHANGE IS REQUESTED ALL

TAX STATEMENTS TO BE SENT TO

THE FOLLOWING ADDRESS:

RON MILLER

PO BOX 196

EAGLE POINT OR 97524

State of Oregon, County of Klamath

Recorded 05/01/2002 3:30 p m.

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Linda Smith, County Clerk

Fee \$ 31.00 # of Pgs 3

DEED IN LIEU OF FORECLOSURE

Grantor, **NICHOLAS KRUSMARK and KELLY MAHEU**, not as tenants in common, but with rights of survivorship, conveys to Grantee, **RON MILLER and JACKIE MILLER, TRUSTEES of the MILLER FAMILY TRUST U.A.D. July 25, 1989**, all that real property situated in Klamath County, Oregon, described as follows:

Lot 3, Block 100, BUENA VISTA ADDITION TO THE CITY OF KLAMATH FALLS, in the County of Klamath, State of Oregon.

To have and to hold the above-described property unto said Grantee, their successors and assigns forever free from all rights of the Grantor under the Trust Deed hereinafter described, but otherwise subject to the Trust Deed which shall remain alive solely for the purpose of protecting the title to the property against all intervening rights.

GRANTOR COVENANTS THAT:

Grantor hereby conveys all of their right, title and interest unto Grantor, except as to the Trust Deed executed to Grantee which is now in default and subject to immediate foreclosure, and except as to encumbrances created or suffered by Grantee.

The true and actual consideration for the conveyance is the satisfaction by Grantee of the obligations secured by that certain Trust Deed executed by the Grantor, dated August 15, 2001, and recorded August 24, 2001, in Volume ^{**}Page 43325, Official Records of Klamath County, Oregon, which shall be canceled upon the recording of this deed. There was due and owing on the Trust Deed obligation at the time of the execution of this deed the sum of \$55,000.00, with interest thereon at the rate of 14.000% per annum from date of last payment.

**** M01**

This deed is intended by Grantor as an absolute conveyance of all Grantor's right, title and interest in and to the above-described property to the Grantee and is not intended as a mortgage, trust conveyance or security instrument of any kind.

By acceptance of this deed, Grantee covenants and agrees that they shall forever forbear taking any action whatsoever to collect against Grantor on the promissory note given to secure the

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H:\MJB - DIRECTORY\FORMS - GENERAL\DEED DIRECTORY\ESTOPPEL DEED DIRECTORY\estoppel deed - Krusmark to Miller frm

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Trust Deed above described, other than by foreclosure of that Trust Deed, and that in any proceeding to foreclose the Trust Deed Grantee shall not seek, obtain or permit a deficiency judgment against Grantor, Grantor's 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 Trust Deed described above. Grantee may retain any and all payments previously made on the obligation with no duty to account therefor.

This deed is not given as a preference over any other creditor of the Grantor.

Grantor executes and delivers this deed and release of the property freely and voluntarily and is not acting under any duress, undue influence, fraud, misapprehension as to the legal effect thereof, of misrepresentation by the Grantee, Grantee's agents, attorneys or any other person.


ORS 93.040 requires that the following statement shall be included in the body of an instrument transferring or contracting to transfer fee title to real property:

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.

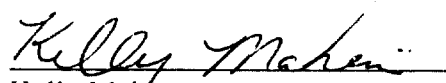
In construing this deed and where the context so requires, the singular includes the plural.

Grantee also executes this document to evidence Grantee's acceptance of said terms and conditions and agrees not to file any claim, demand or suit against Grantor for any reason arising out of the sale or conveyance of said property or Grantor's ownership of said property.

GRANTEE



 Nicholas Krusmark



 Kelly Mahieu

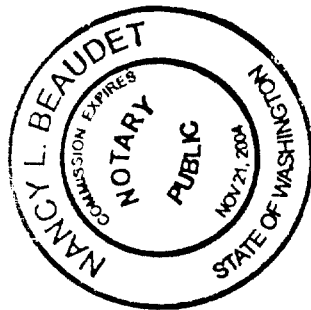
26337

STATE OF WASHINGTON)
County of Waukegan) ss.

On this 25 day of April, 2002, personally appeared the above named Nicholas Krusmark and Kelly Maheu, and acknowledged the foregoing instrument to be their voluntary act and deed.

Before Me:

Nancy L. Beaudet
Notary Public for Washington:
My Commission Expires: 11.21.2004



DEED IN LIEU OF FORECLOSURE - 3

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