

**After Recording Return To:**

Francis & Martin, LLP  
 1199 NW Wall Street  
 Bend, OR 97701

State of Oregon, County of Klamath  
 Recorded 05/21/2002 8:14 a m.  
 Vol M02, Pg 29992-93  
 Linda Smith, County Clerk  
 Fee \$ 26.00 # of Pgs 2  
10 opa

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

Robert P. Thomas, Trustee  
 of the Thomas Living Trust  
 P.O. Box 446  
 Gilchrist, OR 97737

**BARGAIN AND SALE DEED IN LIEU OF FORECLOSURE**

CARLA RAE FREEMAN, Grantor, conveys to ROBERT P. THOMAS, Trustee of the THOMAS LIVING TRUST, Grantee, the following described real property:

*Lots 9 and 10 in Block 34 of CRESCENT, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.*

Grantor covenants that:

1. The consideration for this deed is the release of a Promissory Note debt in the original amount of \$39,500.00 dated December 16, 1999 owing to Grantee.
2. This Deed is absolute in effect and conveys fee simple title of the real property described above to the Grantee. It does not operate as a mortgage, trust deed conveyance or security of any kind.
3. Grantor is the owner of the premises, free of all encumbrances, except a Trust Deed dated December 16, 1999 and recorded December 21, 1999 in Volume M99, page 50019, Microfilm Records of Klamath County, Oregon to secure the Promissory Note described above between William J. Mayfield and Carla Rae Freeman, Grantors and Robert P. Thomas, Trustee of the Thomas Living Trust Dated 12-21-92, Beneficiary.
4. This Deed does not effect a merger of the fee ownership and the lien of the secured debt described above. The fee and lien shall remain separate and distinct.
5. By acceptance of this deed, Grantee agrees to forbear taking any action to collect against Grantor on the secured debt, other than to foreclose the secured debt. Grantee shall not seek, obtain, or permit a deficiency judgment against Grantor or Grantor's heirs or assigns.
6. Grantor waives, surrenders, conveys and relinquishes any equity of redemption and statutory rights of redemption concerning the real property and Trust Deed described above and conveys such redemption to Grantee.
7. Grantor understands the legal effect of this Deed and executes this Deed willingly and not under duress or undue influence of any person.
8. This Deed is given in lieu of foreclosure of a Trust Deed dated December 16, 1999, between Grantee as Seller and Grantor as Purchaser. It is the intention of Grantor to vest full fee simple title in Grantee with no right of redemption of any kind in Grantor. In consideration of accepting this deed, Grantee

1 - Bargain and Sale Deed in Lieu of Foreclosure

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 (541) 389-5010

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releases Grantor from all personal liability to it from the obligations of Purchaser in the aforementioned Agreement, and releases Grantor from all liability for costs, attorney fees and all other foreclosure expenses.

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.

DATED this 15 day of May, 2002.

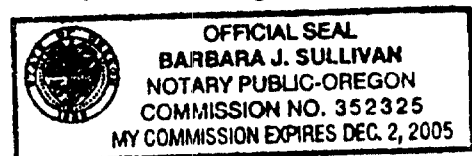
GRANTOR:

Carla R. Freeman  
CARLA RAE FREEMAN

STATE OF OREGON     )  
  ) ss.  
County of Klamath     )

Personally appeared before me the above-named CARLA RAE FREEMAN and acknowledged the foregoing instrument to be her voluntary act and deed.

Barbara J. Sullivan  
Notary Public for Oregon



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