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MTG -- 60035

Vol M03 Page 33482

After recording return to
Hershner, Hunter, Andrews,
Neill & Smith, LLP
Attn: Carol B. Mart
P.O. Box 1475
Eugene, OR 97440

UNTIL A CHANGE IS REQUESTED,
ALL TAX STATEMENTS ARE TO BE
SENT TO THE FOLLOWING
ADDRESS:
Umpqua Bank
Attn: David Clardy
PO Box 1140
Coos Bay OR 97420

DEED IN LIEU OF FORECLOSURE

DARIN F. FULLER and NICKY R. FULLER, Grantors, convey and warrant to UMPQUA BANK, successor by merger to Security Bank, Grantee, the real property described on the attached Exhibit A, free of encumbrances except as set forth on the attached Exhibit A (hereinafter the Property).

Grantor covenants that:

1. This deed is absolute in effect and conveys fee simple title to the Property to the Grantee and does not operate as a mortgage, trust conveyance or security of any kind.
2. Grantor is the owner of the Property free of all encumbrances except as set forth on the attached Exhibit A.
3. Grantor hereby waives, surrenders, conveys and relinquishes any equity of redemption and any statutory rights of redemption concerning the Property and the trust deed set forth on the attached Exhibit A. Grantee may retain all payments previously made on the secured debt without any duty to provide an accounting.
4. Grantor is not acting under any misapprehension as to the legal effect of this deed, nor under any duress, undue influence or misrepresentation of Grantee, Grantee's agents or attorneys, or any other person.
5. This deed does not effect a merger of the fee simple ownership and the lien of the trust deed described on the attached Exhibit A. The fee and the lien of such trust deed shall hereafter remain separate and distinct.
6. By acceptance of this deed, Grantee covenants and agrees that it shall forever forbear taking any action whatsoever to collect against Grantor on the promissory note secured by the trust deed described on the attached Exhibit A, other than by foreclosure of such trust deed, and that in any proceeding to foreclose such trust deed, Grantee shall not seek, obtain or permit

41.00


a deficiency judgment against Grantor, Grantor's heirs or assigns, such remedies and rights being hereby waived.

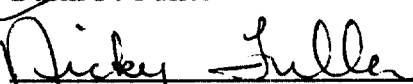
7. The true consideration for this conveyance is Grantee's covenants described in the foregoing paragraph with respect to collection of indebtedness secured by the trust deed described on the attached Exhibit A.

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.

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.

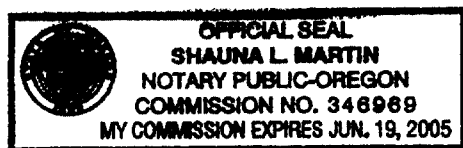
Dated this 30th day of April, 2003.

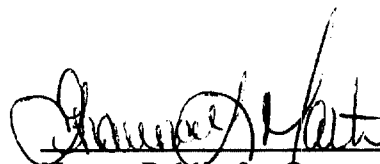

Darin F. Fuller


Nicky R. Fuller

STATE OF OREGON)
) ss.
COUNTY OF KLAMATH)

The foregoing instrument was acknowledged before me this 30th day of April, 2003, by DARIN F. FULLER.




Notary Public for Oregon
My commission expires: Jun 19, 2005

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STATE OF OREGON)
) ss.
COUNTY OF KLAMATH)

The foregoing instrument was acknowledged before me this 30th day of April,
2003, by NICKY FULLER.



Melissa Hartley
Notary Public for Oregon
My commission expires: June 28, 2005

Unit 10723 (Vincent Drive), Tract 1365 - FALCON HEIGHTS CONDOMINIUMS STAGE 2, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

SUBJECT TO THE FOLLOWING EXCEPTIONS:

1. Subject to easements, covenants and reservations as contained in Quitclaim Deed, recorded August 15, 1997 in Volume M97, page 26800, Microfilm Records of Klamath County, Oregon. (Reference is made to the instrument regarding airspace, FAA rulings, and other matters.)

Release of Easement, subject to the terms and provisions thereof; recorded March 9, 1998 at Volume M98, page 7433, Microfilm Records of Klamath County, Oregon.

2. Condominium Disclosure Statement for Falcon Heights Condominium, including the terms and provisions thereof;

Recorded: February 13, 1998

Volume: M98, page 4708, Microfilm Records of Klamath County, Oregon

Re-recorded: July 21, 1998

Volume: M98, page 26589, Microfilm Records of Klamath County, Oregon

3. The By-Laws, subject to the terms and provisions thereof, of Falcon Heights Condominium Association, Inc.;

Dated: February 4, 1998

Recorded: February 13, 1998

Volume: M98, page 4721, Microfilm Records of Klamath County, Oregon

Amendment to Bylaws, subject to the terms and provisions thereof;

Recorded: April 16, 1998

Volume: M98, page 12596, Microfilm Records of Klamath County, Oregon

Amendment to Bylaws, subject to the terms and provisions thereof;

Recorded: July 21, 1998

Volume: M98, page 26603, Microfilm Records of Klamath County, Oregon

4. Declaration of Unit Ownership, subject to the terms and provisions thereof and all Covenants, Conditions, Restrictions and easements contained therein, which Condominium Declaration subjects said land and improvements to the provisions of the Oregon Unit Ownership Laws.

For: Falcon Heights Condominium

Dated: February 4, 1998

Recorded: February 13, 1998

Volume: M98, page 4752, Microfilm Records of Klamath County, Oregon

Supplemental Declaration submitting Stage 2 to Condominium Ownership, subject to the terms and provisions thereof;

Dated: November 9, 1999

Recorded: November 22, 1999

Volume: M99, page 46350, Microfilm Records of Klamath County, Oregon

5. Levies and Assessments of the Falcon Heights Condominium Association, Inc., as provided for in the Declaration of Unit Ownership.

6. Covenants, conditions, restrictions, and easements as shown on recorded plat, as follows:

"Backyards, Driveways, Sidewalks and Patios as depicted on sheets 3, 4, 5, 6, 7, 8 and 9 are limited common elements.

Living area and garage area: Horizontally, each unit shall consist of an area bounded by the units exterior siding, not including exterior paint/coating (the exterior of all doors however, shall be considered part of the unit). Vertically, each unit shall consist of the space between the underside of the shingles to the bottom of the subfloor (concrete slab) in the living area, and between the underside of the shingles on the roof and the bottom of the finished floor in the garage area. All outlets of utility service lines, pipes, conduits, wires, furnaces, hot water heaters, lights, electrical fixtures and bulbs, appliances, sinks, bathtubs, and the like from the exterior siding shall be considered parts of the units, the air conditioning, units, if any, located outside each unit is also excluded from the general common elements and shall be considered part of the units.

The boundary between the units shall be in the middle of the supporting common wall in unit types 1, 2 and 3 as depicted on this sheet. And between the backside of the drywall and the supporting studs in unit types 1A, 2A and 3A as depicted on this sheet. Backyard areas as shown on sheets 5, 6, 7, 8, and 9 are bounded by the fences as built in the field, and are limited common elements accessed from the backdoors of the units, and are reserved for the exclusive use of the unit to which it pertains."

7. Trust Deed, subject to the terms and provisions thereof, given to secure an indebtedness with interest thereon and such future advance as may be provided therein;

Dated: May 9, 2000

Recorded: May 12, 2000

Volume: M00, page 17406, Microfilm Records of Klamath County, Oregon

Amount: \$70,200.00

Grantor: Darin F. Fuller and Nicky R. Fuller

Trustee: AmeriTitle

Beneficiary: Security Bank, and/or its successors and assigns, as its interest may appear as may be included within the definition of insured in section 1 (a)

8. A Judgment for the amounts herein stated plus any additional penalties, interest and costs:

Case No.: 010392CCV

Entered: January 17, 2002

Amount: \$308.00 plus interest, child support

Debtor: Darin Floyd Fuller

Creditor: Nicky Renee Fuller

NOTE A: Taxes for fiscal year 2001-2002, paid.

Account No: 3909-03400-80040-000

Amount: \$613.98

Key No: 885968

Code No: 164