

03 OCT 30 11:15

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RETURN TO: Brandsness, Brandsness, Rudd & Bunch, P.C. 411 Pine Street Klamath Falls, OR 97601	TAX STATEMENT TO: Oregon Housing & Community Services P. O. Box 14508 Salem OR 97309-0409
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State of Oregon, County of Klamath
Recorded 10/30/03 11:15a m
Vol M03 Pg 80614
Linda Smith, County Clerk
Fee \$ 21.00 # of Pgs 1

MAC 62849

DEED IN LIEU OF FORECLOSURE - NO MERGER

THIS INDENTURE between Michael D. Beam and Summer D. Beam, as tenants by the entirety, hereinafter called Grantors, and Oregon Housing And Community Services Department, State of Oregon, hereinafter called Grantee:

The real property being conveyed is:

The Westerly 10 feet of Lot 1 and all of Lot 2, Block 2, CLINTON, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

Grantor covenants that:

This deed is absolute in effect and conveys fee simple title of the premises described above to grantee and does not operate as a mortgage, trust conveyance, or security of any kind.

Grantors are the owners of the premises free of all encumbrances except the trust deed executed to South Valley Bank & Trust, dated June 20, 2002, and recorded on June 20, 2002, at Volume M02, page 35914, Microfilm records of Klamath County, Oregon; and except: no exceptions.

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

The consideration of this transfer is the waiver of the grantee's right to collect costs, disbursements and attorney's fees, as well as any deficiency balance due from the grantors only.

By acceptance of this deed, grantee covenants and agrees that it shall forever forbear taking any action whatsoever to collect against grantors on the promissory note given to secure the trust deed described above, other than by foreclosure of that trust deed, and that in any proceeding to foreclose the trust deed it shall not seek, obtain, or permit a deficiency judgment against grantors, or grantors' heirs or assigns, such rights and remedies being waived.

Grantors waive, surrender, convey, and relinquish any equity of redemption and statutory rights of redemption concerning the real property and trust deed described above.

Grantors are 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 agent or attorney, or any other person.

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 the Grantors above-named have executed this instrument.

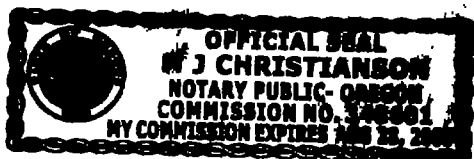
DATED this 6 day of Oct, 2003.

Michael D. Beam
Michael D. Beam

Summer D. Beam
Summer D. Beam

STATE OF OREGON)
) ss.
County of Deschutes)

Personally appeared before me this 6 day of October, 2003, the above named Michael D. Beam and Summer D. Beam and acknowledged the foregoing instrument to be their voluntary act and deed.



[Signature]
Notary Public for Oregon
My Commission expires: Aug 22, 2005

21.00