

MTZ-13916-9156

<b>RETURN TO:</b> Brandsness, Brandsness, Rudd & Bunch, P.C. 411 Pine Street Klamath Falls, OR 97601	<b>TAX STATEMENT TO</b> South Valley Bank & Trust P. O. Box 5210 Klamath Falls, OR 97601
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Return to:  
South Valley  
Attn Delors

State of Oregon, County of Klamath  
 Recorded 11/05/03 11:00 a. m  
 Vol M03 Pg 82398  
 Linda Smith, County Clerk  
 Fee \$ 21.00 # of Pgs 1

**DEED IN LIEU OF FORECLOSURE - NO MERGER**

THIS INDENTURE between Larry D. Harvey and Antonia Harvey, tenants by the entirety, hereinafter called Grantors, and South Valley Bank & Trust, an Oregon banking corporation, hereinafter called Grantee:

The real property being conveyed is: Lot 565 of RUNNING Y RESORT, PHASE 5, according to the official plat thereon 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 grantee, dated November 26, 1999, and recorded on December 1, 1999, at Volume M99, page 47397 of the official records of Klamath County, Oregon, and the modifications of the terms of the trust deed recorded January 3, 2003, in Volume M02, page 363; recorded September 4, 2002, in Volume M02, page 50100, and recorded April 28, 2003, in Volume M03, page 27373, official 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 their 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 29<sup>th</sup> day of October, 2003.

AMERITITLE has recorded this instrument by request as an accommodation only, and has not examined it for regularity and sufficiency or as to its effect upon the title to any real property that may be described therein.

*Larry D. Harvey*  
 Larry D. Harvey  
*Antonia Harvey*  
 Antonia Harvey

STATE OF OREGON )  
 ) ss.  
 County of Klamath )

Personally appeared before me this 29<sup>th</sup> day of October, 2003, the above named Larry D. Harvey and Antonia Harvey and acknowledged the foregoing instrument to be their voluntary act and deed.



*Risa L. Salzman*  
 Notary Public for Oregon  
 My Commission expires: 11/25/08

2100 am