

04 DEC 3 AM 11:40
 04 DEC 1 PM 3:47
 Recording Requested by:
 Beneficial Oregon, Inc.
 961 Weigel Drive
 P.O. Box 8603
 Elmhurst, IL 60126
 After Recording Return To:
 Beneficial Oregon, Inc.
 P.O. Box 8603
 Elmhurst, IL 60126

Vol M04 Page 82822

State of Oregon, County of Klamath
 Recorded 12/01/04 3:47 p m
 Vol M04 Pg 82822
 Linda Smith, County Clerk
 Fee \$ 21⁰⁰ # of Pgs 1

Vol M04 Page 83151

State of Oregon, County of Klamath
 Recorded 12/03/04 11:40 A m
 Vol M04 Pg 83151-52
 Linda Smith, County Clerk
 Fee \$ 26⁰⁰ # of Pgs 2

Send Tax Statements to:
 Beneficial Oregon, Inc.
 P.O. Box 8603
 Elmhurst, IL 60126

18458897
DEED IN LIEU OF FORECLOSURE

Mearl Lee Caverly and Mary Ann Caverly, "Grantors," convey to Beneficial Oregon Inc., "Grantee," the following real property ("Property") together with all of Grantors' rights, title and interest in any land sale contract or lease option agreement involving said Property:

See attached Exhibit "A." Re-recording to add legal description

Grantors covenant that they are the owners of the Property free and clear of all encumbrances except as described below.

Grantors executed and delivered to Grantee a Deed of Trust recorded June 19, 2001 in Vol. M01, Page 29382 in the records of Klamath County, Oregon, to secure payment of a Loan Repayment and Security Agreement ("Agreement") dated June 14, 2001 in the sum of \$119,579.17. Grantee declares that as of September 21, 2004, the amount of the unpaid debt was \$126,263.48. Said Agreement is in default and the Trust Deed is subject to foreclosure. Grantors have requested that Grantee accept this Deed. In consideration of Grantee's acceptance of this deed in lieu of foreclosure and waiver of the right to collect against Grantors on the Agreement, Grantee may retain all payments previously made on the Agreement, with no duty to account therefore.

This Deed is intended as a conveyance absolute in legal effect, as well as in form, of the title to said Property to Grantee and this Deed is not intended as security or mortgage of any kind. Grantors waive, surrender and relinquish any equity of redemption and statutory rights of cure or redemption that Grantors may have in connection with the Property and the Agreement and Trust Deed.

Grantors warrant that during the time period that the Property was owned by Grantors, the Property was never used for the generation, manufacture, storage, treatment, disposal, release, or threatened release of any hazardous substance, as those terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 USC Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act ("SARA"), other applicable state or federal laws, or regulations adopted pursuant to any of the foregoing. Grantors agree to indemnify and hold Grantee harmless against any and all claims and losses resulting from a breach of this warranty.

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. Grantee reserves its right to foreclose its Trust Deed at any time as to any party with any claim, interest, or lien on the Property.

Grantors have read and fully understand the above terms and are not acting under misapprehensions as to the effect of this Deed, or under any duress, undue influence or misrepresentations of Grantee, its agents, attorneys or any other person; that this Deed is not given as a preference over other creditors of the Grantors; that at this time there is no person, partnership, or corporation other than Grantee interested in the premises directly or indirectly, in any manner whatsoever, except as set forth above.

Grantee does not expressly or impliedly agree to assume or pay any contract balances, debts, liens, charges or obligations which relate or attach to the 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 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.

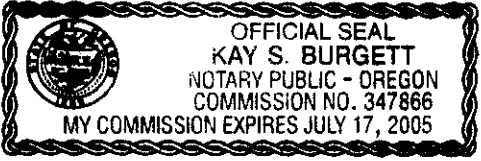
Dated this 29th day of October, 2004.

Mearl Lee Caverly
 Mearl Lee Caverly, Grantor

Mary Ann Caverly
 Mary Ann Caverly, Grantor

STATE OF OREGON)
) ss.
 County of Klamath)

This instrument was acknowledged before me on the 29th day of October, 2004, by Mearl Lee Caverly and Mary Ann Caverly as their voluntary act and deed.



Kay S. Burgett
 Notary Public for Oregon

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83152

EXHIBIT "A"

a parcel of land lying in Lot 2A of Homedale, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon, more particularly described as follows: Beginning at a point which lies North 43° 30' West along the Northeasterly line of Walton Drive, a distance of 207.0 feet from the most Southerly corner of Lot 2A, Homedale; thence North 24°41'30" East 67.93 feet; thence North 09°58'50" East 83.30 feet; thence North 43°30' West 50.1 feet; thence South 26°42' West 138.18 feet to the Northeasterly line of Walton Drive; thence South 43° 30' East along the Northeasterly line of Walton Drive 78.0 feet to the point of beginning.