MTC1396-9083

AMERITITLE, has recorded this instrument by request as an accomodation 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.

2007-017945 Klamath County, Oregon



10/17/2007 11:16:53 AM

Fee: \$31.00

AFTER RECORDING RETURN TO: SHARON L. PATTON P.O. Box 832 Shady Cove, OR 97539

DEED IN LIEU OF FORECLOSURE

THIS DEED IN LIEU OF FORECLOSURE (the "Deed") is made by M.P. Taylor, Trustee, The M.P. Taylor Living Trust dated September 8, 1999, Grantor, in favor of Michael D. Patton and Sharon L. Patton, Grantees. Grantor conveys to Grantees all that real property and all improvements located thereon (the "Property"), situated at 4626 Shasta Way, Klamath Falls, Klamath_County, Oregon, described as follows:

Lot 96 and East 5 feet Lot 97, PLEASANT HOME TRACTS, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

Tax Account No:

3909-002BA-07600-000

To have and to hold the Property unto said Grantees, but otherwise subject to the Trust Deed/Contract of Sale (the "**Encumbrance**"), which shall remain active solely for the purpose of protecting the title to the Property against all intervening rights.

Grantor covenants that he or she is the owner of the Property, free of all encumbrances, and Grantor shall forever defend against all lawful claims and demands, except as to the Encumbrance executed to Grantees, which is now in default and subject to immediate foreclosure or forfeiture, and except as to encumbrances created or suffered by Grantees.

Grantees have made demand upon the Grantor to pay the unpaid balance in United States Dollars of the monetary obligation (the "**Obligation**") secured by the Encumbrance. Grantor is unable to pay the Obligation and have requested that Grantees accept this Deed as an absolute conveyance of the Property in satisfaction of the Obligation secured by the Encumbrance.

The true and actual consideration is the satisfaction by Grantees of the Obligation secured by the Encumbrance recorded September 1, 2006, as Instrument No. 2006-017678, of the Official Records of Klamath County, Oregon, which shall be cancelled upon the recording of this Deed.

This Deed is intended by Grantor as an absolute conveyance of all Grantor's right, title and interest in and to the Property to the Grantees and is not intended as a mortgage, trust conveyance or security instrument of any kind.

This Deed does not effect a merger of the fee ownership and the Encumbrance. The fee and lien shall hereafter remain separate and distinct. Grantees expressly reserve the right to foreclose, either judicially or non-judicially, or if applicable, pursue a forfeiture proceeding under ORS 93.915 et seq of any encumbrances, which existed or attached after the recording of the Encumbrance, the subject of this Deed. Grantor understands that in any such foreclosure, Grantees may have to name Grantor as a party; however, Grantees covenant that no money judgment shall be taken by Grantees against Grantor.

By acceptance of this Deed, Grantees covenant and agree that they shall forever forbear taking any action whatsoever to collect against Grantor on the Obligation secured by the Encumbrance, other than by a foreclosure of that Obligation and/or forfeiture proceeding, if applicable, and that in any proceeding to foreclose the Encumbrance or obtain a forfeiture, Grantees shall not seek, obtain or permit any deficiency judgment against the Grantor, his or her heirs or assigns, such rights and remedies being hereby waived.

-1- DEED IN LIEU OF FORECLOSURE



Grantor does hereby waive, surrender, convey and relinquish any equity of redemption and statutory rights of redemption concerning the Property and the Encumbrance. Grantees may retain any and all payments previously made on the Obligation with no duty to account therefor.

This Deed is not given as a preference over any other creditor of the Grantor. Grantor has no creditors whose rights are prejudiced by this conveyance.

Grantor execute and deliver this Deed and release of the Property freely and voluntarily and are not acting under any duress, undue influence, fraud, misapprehension as to the legal effect thereof, of misrepresentation by the Grantee, Grantees' agents, attorneys or any other person.

ORS 93.040 requires that the following statement shall be included in the body of an instrument transferring or contracting to transfer fee title to real 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 TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER CHAPTER 1, OREGON LAWS 2005 (BALLOT MEASURE 37 (2004)). THIS INSTRUMENT DOES 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 AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER CHAPTER 1, OREGON LAWS 2005 (BALLOT MEASURE 37 (2004)).

DATED this ______day of October, 2007.

M.P. Taylor, Trustee, The M.P. Taylor Living Trust

STATE OF CALIFORNIA)
ss.

County of _______

On this _____ day of October, 2007, personally appeared M.P. Taylor, Trustee, The M.P. Taylor Living Trust, and acknowledged the foregoing instrument to be his voluntary act and deed. BEFORE ME:

Notary Public for California
My Commission Expires: ______

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

STATE OF CALL)			
COUNTY OF I	ehama)			
		pefore me, <u>lerry</u>			
personally app	peared, M. P. Tay	lor, Trustee,	The M.P. T.	aylor Civir	g Trust.
person(s) who that he/she/the his/her/their s	se name(s) is/are	ved to me on the b subscribed to the v me in (his/her/their instrument the per e instrument.	within instrum	nent and ackno	wledged to me
WITNESS my	y hand and officia	l seal.	. •		
Jeny &	L Backs RY PUBLIC SIGNATURE	(SEAL)	ARS1	COM NOTARY P	Y L. BARBO M. #1487693 UBLIC • CALIFORNIA COUNTY Expires May 30, 2008
	FORMATION SECTION IS NOT I	PTIONAL INFO	BE BENEFICIAL TO PERS	SONS RELYING ON THIS	NOTARIZED DOCUMENT.
		<u> </u>			
SIGNERS(S) OT	THER THAN NAMED AE	ove no other	slgner9		
SIGNER'S NAM	Æ	SIGNI	ER'S NAME		
	RIGHT THUMBPRINT		RIG	GHT THUMBPRINT	