

MTCL396-9083

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.

2007-017945

Klamath County, Oregon



00033431200700179450030034

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

31AMT

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

STATE OF CALIFORNIA)
COUNTY OF Tehama)

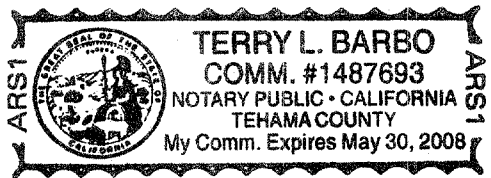
On October 4, 2007 before me, Terry L. Barbo, Notary Public
DATE NAME, TITLE OF OFFICER - E.G., "JANE DOE, NOTARY PUBLIC"

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

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) ~~is/are~~ subscribed to the within instrument and acknowledged to me that ~~he/she/they~~ executed the same in ~~his/her/their~~ authorized capacity(ies), and that by ~~his/her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Terry L. Barbo (SEAL)
NOTARY PUBLIC SIGNATURE



OPTIONAL INFORMATION

THIS OPTIONAL INFORMATION SECTION IS NOT REQUIRED BY LAW BUT MAY BE BENEFICIAL TO PERSONS RELYING ON THIS NOTARIZED DOCUMENT.

TITLE OR TYPE OF DOCUMENT Deed in Lieu of Foreclosure

DATE OF DOCUMENT 10-4-07 NUMBER OF PAGES 2

SIGNERS(S) OTHER THAN NAMED ABOVE no other signers

SIGNER'S NAME _____ SIGNER'S NAME _____

RIGHT THUMBPRINT

RIGHT THUMBPRINT