

2008-000468

Klamath County, Oregon



00038357200800004680060064

01/11/2008 08:36:59 AM

Fee: \$66.00

M0640906

AFTER RECORDING RETURN TO:

David M. Vandenberg
Lynch & Vandenberg
P.O. Box 351
Lakeview, OR 97630

For County Use Only

REAL PROPERTY TAX INFORMATION
SHOULD BE SENT TO:

Leonard L. Baio and Kay I. Baio
5140 Olive Drive
Concord, CA 94521

**BARGAIN AND SALE DEED
IN LIEU OF FORECLOSURE**

124056

Leonard D. Kelley and Debra K. Kelley
74481 Larson Road
Rainier, OR 97048-3007

Leonard L. Baio and Kay I. Baio,
Trustees of the Baio Family Trust,
Dated July 18, 1994

And

Dennis L. Seifert and Delores N. Seifert
74481 Larson Road
Rainier, OR 97048-3007

"Sellers"

"Buyer"

Sellers hereby grant, bargain, sell, and convey to Buyer and Buyer's successors and assigns, all of that certain real property with the tenements, hereditaments, and appurtenances thereto belonging or in any way appertaining, including all of Sellers' rights in any reserve account for the payment of taxes, insurance, or other charges attributable to the property, situated in the Counties of Lake and Klamath, State of Oregon (the "Property"), described as follows:

Legal Description attached hereto as Exhibits "A" and "B" and by this reference incorporated herein.

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To have and to hold the same unto Buyer and Buyer's successors and assigns forever.

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

This deed does not effect a merger of the fee ownership and the lien of the trust deeds described below. The fee and the lien shall hereafter remain separate and distinct. Buyer reserves its rights to foreclose its trust deeds at any time as to any party with any claim, interest, or lien on the property.

By acceptance of this deed, Buyer covenants and agrees that Buyer shall forever forbear taking any action whatsoever to collect against Sellers on the promissory note which is secured by the trust deeds described below, other than by foreclosure of those trust deeds, and that in any proceeding to foreclose those trust deeds Buyer shall not seek, obtain, or permit a deficiency judgment against Sellers, their heirs, or assigns.

Sellers hereby waive, surrender, convey and relinquish any equity of redemption and the statutory right of redemption concerning the Property and the trust deeds described below. Sellers further release Buyer from any liability in connection with the loan secured by the trust deeds described below.

Sellers are not acting under any misapprehension as to the legal effect of this deed, nor under any duress, undue influence, or misrepresentation of Buyer, his agent, attorney or any other person.

The true and actual consideration for this transfer consists of the Buyer's waiver of its rights to a judgment against Sellers personally under the loan agreement secured by the trust deeds below and agreement not to name the Sellers as a party to any judicial foreclosure action as stated above with respect to that certain trust deed entered into on June 15, 2005, between Sellers and Buyer, and recorded in Vol. M05, Page 46076-78 on June 20, 2005, in the land records of Klamath County, State of Oregon, and that certain trust deed entered into on June 15, 2005, between Sellers and Buyer, and recorded in Book 148, Page 128 on June 20, 2005, in the mortgage records of Lake County, State of Oregon. The trust deeds were given to secure a loan obligation between Sellers and Buyer in the amount of \$1,200,000.00. Sellers also grants to Buyer all of Sellers' right, title, and interest in any reserve accounts or any other obligations secured by the Property from other lenders and release any interest in those reserve accounts.

Buyer does not expressly or impliedly agree to assume or pay and contract balances, debts, liens, charges or obligations which relate or are attributable to the Property.

In construing this deed and where the context so requires, the singular includes the plural and all grammatical changes shall be implied to make the provisions hereof apply equally to corporations and to individuals.

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. TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FORESTS

304

M0640908

PRACTICES AS DEFINED IN ORS 30.020 AND TO INCLUDE ABOUT THE RIGHTS OF DEBENTURE

IN WITNESS WHEREOF, Sellers have executed this instrument this 13th December day of ~~November~~, 2007; if a corporate grantor, it has caused its name to be signed and seal annexed by its officers, duly authorized thereto by order of its board of directors.

Leonard D. Kelley
Leonard D. Kelley

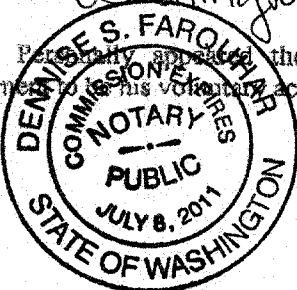
Dennis L. Seifert
Dennis L. Seifert

Debra K. Kelley
Debra K. Kelley

Delores N. Seifert
Delores N. Seifert

STATE OF Washington County of Cowlitz) ss.

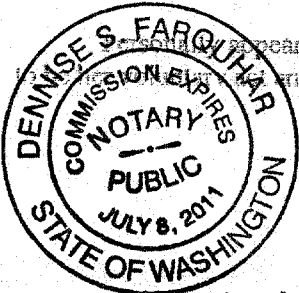
Personally appeared the above-named LEONARD D. KELLEY and acknowledged the foregoing instrument to be his voluntary act and deed on ~~November~~ December 13, 2007.



Dennis S. Farquhar
Notary Public for Washington
My Commission Expires: 7/8/2011

STATE OF Washington County of Cowlitz) ss.

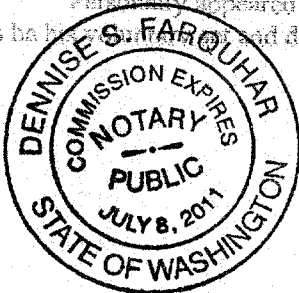
Personally appeared the above-named DEBRA K. KELLEY and acknowledged the foregoing instrument to be her voluntary act and deed on ~~November~~ December 13, 2007.



Dennis S. Farquhar
Notary Public for Washington
My Commission Expires: 7/8/2011

STATE OF Washington County of Cowlitz) ss.

Personally appeared the above-named DENNIS L. SEIFERT and acknowledged the foregoing instrument to be his voluntary act and deed on ~~November~~ December 13, 2007.



Dennis S. Farquhar
Notary Public for Washington
My Commission Expires: 7/8/2011

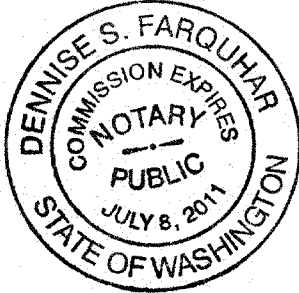
Washington

Lawlitz

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Personally appeared the above-named DELOREN N. NEWMAN and acknowledged the foregoing instrument to be her voluntary act and deed.

December 13, 2007



Dennise S. Farquhar
Notary Public for Washington
My Commission Expires: 7/8/2011

308

M0640910

EXHIBIT "A"
LEGAL DESCRIPTION

Parcels 1, 2, and 3 of Final Partition Map #24-92, said Partition being located in Sections 13, 14, 15, 23, 24, 25 and 26 of Township 37 South, Range 15 East, Willamette Meridian, Klamath County, Oregon, and in Section 30, Township 37 South, Range 16 East, Lake County, Willamette Meridian. EXCEPT that portion of said Parcel 1 lying in Lake County, Oregon; AND EXCEPT those portions of said Parcel 3 in Sections 14, 24, and 26 lying Southerly of State Highway 140; AND EXCEPT that certain strip of land 100 feet wide conveyed to Bly Logging Company by Deed recorded July 31, 1929 in Volume 87, page 513, Deed Records of Klamath County, Oregon, and as delineated on the face of said Final Partition Map; AND EXCEPT those portions conveyed to the State of Oregon, by and through its Department of Transportation by Warranty Deed recorded August 8, 1995 in Volume M95, page 20841, Microfilm Records of Klamath County, Oregon; AND EXCEPT that portion of said Parcel 3 in Section 15, Township 37 South, Range 15 East, Klamath County, Oregon, lying Southerly of State Highway 140 as conveyed to Danny Baio by deed recorded March 10, 1999 in Volume M99, page 8512, Microfilm Records of Klamath County, Oregon.

Tax Account No: 3715-00000-07301-000
Tax Account No: 3715-00000-07302-000
Tax Account No: 3715-00000-07303-000
Tax Account No: 3715-02300-00100-000
Tax Account No: 3715-02300-00101-000
Tax Account No: 3715-02300-00500-000

Key No: 873246
Key No: 873247
Key No: 884329
Key No: 408936
Key No: 881634
Key No: 409007

M0640911

EXHIBIT B

In the County of Lake, State of Oregon, as follows:

Township 37 South, Range 16 East of the Willamette Meridian,
Section 30: Government Lots 2 and 3
SE1/4 NW1/4, NE1/4 SW1/4, EXCEPTING THEREFROM
That portion deeded to the State of Oregon, by and through its
Department of Transportation, Highway Division, recorded August 23,
1988, in Book 210 at Page 143, August 2, 1995, in Book 230 at
Page 128, Lake County Deed Records, Oregon.

Acct# 10186/16273

Map# 37 16-1300

State of Oregon } ss. Reel 64
County of Lake } File 906
I hereby certify that the within instrument
was received and filed for record on the
27 day of Dec 20 07
1:45 o'clock P. M and recorded
on page 307 in book 271 record
of Deeds of said County
Handeany
County Clerk
By _____ Deputy