



00049957200800102740020028

07/18/2008 09:14:04 AM

Fee: \$26.00

DEED IN LIEU OF FORECLOSURE

THIS DEED IN LIEU OF FORECLOSURE dated the 17th day of July 2008, is between DAVID HAMMONDS, individually, which includes his heirs, successors, personal representatives, and assigns, and LAKEWOODS DEVELOPMENT, L.L.C., an Oregon limited liability company, which includes its successors and assigns, and DWH DEVELOPMENT, L.L.C., an Oregon limited liability company, which includes its successors and assigns, hereinafter called the Grantors, and MARVIN E. HEATER and JEANNE E. HEATER, husband and wife, hereinafter called the Grantees, which term includes their heirs, successors, personal representatives, and assigns:

WITNESSETH:

Whereas, the title to the real property in Klamath County, Oregon (hereinafter "the real property"), more particularly described as:

Lot 13, Block 3, Tract No. 1051, Lakewoods Unit #2, according to the official plat thereof on file in the office of the Clerk of Klamath County, Oregon.

is in the name of the Grantees, but equitable title was sold pursuant to a Land Sale Contract for the sale of real property, dated the 26th day of September, 2006 ("Contract"), a memorandum of which named the ~~Payer to be D.W.H. Development, was recorded on~~ about October 17, 2006, in Document No. 2006-P22005, in Klamath County, Oregon, to the Grantors. The Grantors are unable to pay the amounts owing and unpaid on said contract and have requested that the Grantees accept an absolute deed of conveyance of the subject property in lieu of foreclosure and the Grantees agree to accept said conveyance subject to the following conditions:

The consideration for this conveyance is zero, however, the actual consideration is the cancellation and release of the Grantors from the obligations set forth in the above-described Contract.

NOW, THEREFORE, in consideration of Grantors' agreement, Grantors hereby grant, bargain, sell, and convey to the Grantees, the real property described above.

The Grantors warrant:

A. That the real property is free of all liens and encumbrances and the Grantors warrant and agree to forever defend the Grantees against the lawful claims and demands of all persons who might claim to have a lien on said real property that was placed or permitted to be placed on the real property by the Grantors;

B. That this deed is intended to be a conveyance absolute in effect and conveys all of the Grantors' interest in and to the real property and all redemption rights, which Grantors may have therein. This deed does not operate as a mortgage, trust deed, or security of any kind;

C. That possession of the premises is hereby surrendered to the Grantees effective the date this Deed in Lieu of Foreclosure is signed.

D. That the Grantors have made this deed with the knowledge and understanding that the Grantees will forebear taking any action to collect against Grantors on the Contract and Grantors' waiver of any deficiency judgment against Grantors if a suit is necessary to foreclose Grantees' interest in said real property;

E. That in executing this deed the Grantors are not acting under any misapprehension as to the effect thereof, nor under any duress, undue influence, or misrepresentation by the Grantees.

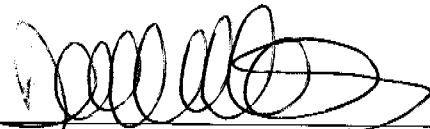
F. That this deed does not affect a merger of the fee title and the lien of the Contract, and the Contract shall remain separate and distinct from the fee title and constitute a valid subsisting lien upon the above described property.

After Recording Return and**Send Tax Statement to:**

Marvin and Jeanne Heater
655 Lower Ben Lomond SE
Salem, OR 97302

BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 197.352 SECTIONS 2, 3 AND 5 TO 22 OF THIS 2007 ACT. 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 FOREST PRACTICES AS DEFINED IN ORS 30.930 AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 197.352 SECTIONS 2, 3 AND 5 TO 22 OF THIS 2007 ACT.

IN WITNESS WHEREOF, the above-named Grantee has executed this instrument this 11th day of July, 2008.




DAVID HAMMONDS, Individually

DWH. DEVELOPMENT, L.L.C., an Oregon
limited liability company

By: 

DAVID HAMMONDS, Member

LAKEWOODS DEVELOPMENT, L.L.C., an Oregon
limited liability company




DAVID HAMMONDS, Member

STATE OF OREGON

County of JACKSON)
ss.

On this 11th day of July, 2008, personally appeared before me the above named DAVID HAMMONDS, Individually, and as a Member of LAKEWOODS DEVELOPMENT, L.L.C., an Oregon limited liability company, and acknowledged the foregoing instrument to be his voluntary act and deed.





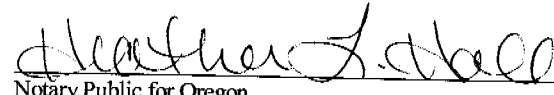
Notary Public for Oregon
My Commission Expires: Nov. 27, 2009

STATE OF OREGON

County of JACKSON)
ss.

On this 11th day of July, 2008, personally appeared before me the above named DAVID HAMMONDS, as a Member, of DWH DEVELOPMENT, L.L.C., an Oregon limited liability company, and acknowledged the foregoing instrument to be his voluntary act and deed.





Notary Public for Oregon
My Commission Expires: Nov. 27, 2009

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Norman F. Webb
Attorney At Law
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Salem, OR 97302
(503) 363-9264