

2009-011136

Klamath County, Oregon



00071288200900111360030038

08/19/2009 10:20:07 AM

Fee: \$31.00

MAIL TAX STATEMENTS TO:

West Coast Bank
C/O Lisa Dow
500 East Broadway, Suite 300
Vancouver, WA 98666

**AFTER RECORDING RETURN
TO:**

Kerry J. Shepherd
Markowitz, Herbold, Glade &
Mehlhaf, P.C.
1211 SW Fifth Avenue, Suite 3000
Portland, OR 979204-3730

DEED IN LIEU OF FORECLOSURE - NO MERGER

This Deed is by and between Eric Sargent, hereinafter called "*Grantor*," and West Coast Bank, hereinafter called "*Grantee*."

For the consideration hereinafter stated, Grantor does hereby grant, bargain, sell, and convey unto Grantee the following described real property located in Klamath County, Oregon:

LOT 2 Pine Meadow Village, Chiloquin, Oregon 97624 (the "*Property*"), more specifically described as LOT 2, Pine Meadow Village Phase 1 – Tract 1281, according to the official plat thereof on file and of record in the office of the County Clerk for Klamath County, Oregon,

together with all of the tenements, hereditaments, and appurtenances thereto belonging or in anywise appertaining, to Have and To Hold the same unto the said Grantee and Grantee's heirs, successors, and assigns forever.

This Deed is absolute in effect and conveys fee simple title of the above-described Property to the Grantee and does not operate as a mortgage, trust conveyance, or security of any kind. Grantor is the owner of the Property, subject to all liens and encumbrances of record, and also subject to a Deed of Trust from Eric Sargent (as Borrower) to First American Title Insurance Company (as Trustee) for the benefit of West Coast Bank (as Lender), said Deed of Trust dated February 5, 2007, and recorded February 21, 2007, as Recording Document 2007-002980, City of Chiloquin, Klamath County, Oregon.

The consideration for this conveyance, stated in terms of cash or monetary terms, is none. The actual consideration consists of forgiveness of debt secured by the Property.

Additionally, Grantor transfers and assigns to Grantee all right, title and interest Grantor may now have, or hereafter acquire, in: (1) any property tax appeals pending as of the date of this deed pertaining to the Property; (b) any right to appeal the valuation of the Property for property tax purposes for the time periods both before and after the date of this Deed; and (c) the right to receive any tax refunds arising from any such appeals described above.

Grantor acknowledges that at the time this conveyance is made the balance of the indebtedness against the Property (including resale costs and subcontractor lien payoffs) is equal to or exceeds the fair market value of the Property, and, therefore, this

conveyance does not create a preference against any other creditor of Grantor within the meaning of the bankruptcy laws.

This Deed does not affect a merger of the fee ownership and the lien of the Deed of Trust described above. The fee and lien shall hereafter remain separate and distinct.

Upon recordation of this Deed, Grantee covenants and agrees that Grantee shall forever forebear taking any action whatsoever to collect against Grantor on the promissory note secured by the above described Deed of Trust, other than by foreclosure of that Deed of Trust, and that in any proceeding to foreclose the Deed of Trust, Grantee will not seek, obtain, or permit any deficiency judgment against Grantor or Grantor's heirs, successors, or assigns, such rights and remedies being hereby waived.

To the best of Grantor's actual knowledge, there are no environmentally hazardous materials or wastes contained on the Property and there are no potentially hazardous environmental conditions on the Property and the Property has not been identified by any government agency of the site upon which, or potentially upon which, environmentally hazardous materials have been (or may have been) located or deposited.

Grantor is not acting under any misapprehension as to the legal effect of this Deed nor under any duress, undue influence, or misrepresentation of Grantee and Grantee's agents, attorneys, or other persons.

The following is the notice as required by Oregon law: "BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007. 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 THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, 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, ORS 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007.

In construing this Deed and whenever the context so requires, the masculine gender includes the feminine and the neuter, and the singular number includes the plural.

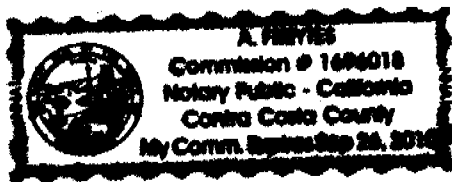
The parties hereby submit to jurisdiction in Klamath County, Oregon and agree that any and all disputes arising out of or related to this Deed shall be litigated exclusively in the Circuit Court for Klamath County, Oregon and in no federal court or court of another county or state. Each party to this Deed further agrees that pursuant to such litigation, the party and the party's officers, employees, and other agents shall appear, at that party's expense, for deposition in Multnomah County, Oregon.

Any rule of construction interpreting this instrument against its drafter shall be inapplicable.

The law firm of Markowitz, Herbold, Glade & Mehlhaf, P.C., has been employed by the Grantee to prepare the documents in conjunction with this Deed, and such attorneys represent only the Grantee in this matter. Grantor, Eric Sargent, employed the professional services of Steven M. McCarthy, Esq. for purposes of reviewing and approving the terms, conditions and legal implications of this Deed.

Dated this 29 day of ^{July}~~June~~, 2009.

Eric Sargent
Grantor



State of California)
County of Contra Costa) ss.

On this 29 day of ^{July}~~June~~, 2009, personally appeared Eric Sargent and acknowledged the foregoing instrument to be her voluntary act and deed.

Before me:

Angelita L. Freytes
Notary Public for Self
My Commission Expires: Sept 26, 2010

WESTSA/183457