

NTC 1396-10124

2010-008858
Klamath County, Oregon



00087781201000088580060067

AFTER RECORDING RETURN TO:

Gary L. Blacklidge, Esq.
Greene & Markley, P.C.
1515 SW Fifth Ave. Suite 600
Portland, OR 97201

SEND TAX STATEMENTS TO

Sterling Savings Bank
111 N. Wall Street
Spokane, WA 99201-0696

07/26/2010 03:31:06 PM

Fee: \$62.00

**NONMERGER DEED IN LIEU OF FORECLOSURE
(Trust Deed Lien Preserved)**

GRANTOR: LAKEWOODS DEVELOPMENT, LLC

GRANTEE: STERLING SAVINGS BANK

TRUE AND ACTUAL CONSIDERATION: Grantee's agreement not to pursue any deficiency judgment, costs, or attorney fees, against Grantor and other good and valuable consideration.

DATE: July 21, 2010

Grantor bargains, sells, and conveys to Grantee the following described real property (the "Property"):

SEE ATTACHED EXHIBIT "A"

together with any interest therein which Grantor may hereafter acquire.

Grantee does hereby acknowledge the existence of that certain Lease Agreement executed October 5, 2005, by and between Grantor, as Landlord, and the Keno Rural Fire Protection District, as Tenant, concerning the Fire Department situated at 6900 Dead Indian Memorial Road in Klamath County, Oregon. Grantee acknowledges receipt of a copy of said Lease and agrees to take title subject to said Lease terms.

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It is further understood that this deed does not entail a transfer of ownership concerning that certain water system which serves the Lakewoods Development including the well, water tanks, and waterlines situated on the subject property. Grantor retains ownership of said system so as to provide a water supply to the residents of the Lakewoods Community. Grantor does hereby reserve a perpetual and exclusive easement for the use and maintenance of all the existing water system facilities.

This deed is absolute in effect and conveys fee simple title to the Property to Grantee and does not operate as a mortgage, trust conveyance, or security of any kind. Grantee shall not be deemed to have accepted this deed until and unless Grantee causes this deed to be recorded. Grantee shall be entitled to immediate possession of the Property upon recordation of this deed, Grantor shall be a tenant at sufferance, and Grantee shall be entitled to all rents from the Property, if any.

Grantor also assigns and transfers to Grantee (and will deliver to Grantee concurrently with this deed) all building and other permits and licenses, deposits, bonds, "as-built" grading plans, "as-built" improvement plans, Level 1 environmental assessments, and geotechnical reports, warranties, contractor and subcontractor contracts and insurance policies (hard copy or electronic) related to the Property, to the extent such documents are in Grantor's possession. Grantor, David Hammonds and Norman Mathis shall cooperate promptly with providing such further instruments concerning the Property as may reasonably be requested by Grantee to effect the intent of this deed.

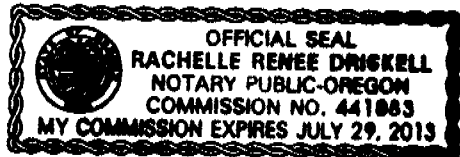
This deed does not constitute a merger of the fee ownership and the lien of that certain trust deed dated May 29, 2007, and recorded on May 31, 2007, as recording number 2007-009783, Klamath County Official Records. The fee and lien shall hereinafter remain separate and distinct until Grantee merges those interests with a separate instrument. Grantee does not assume any prior liens or obligations secured by the Property. Grantee may retain all prior payments received on the obligation secured by the Property.

By recording this deed, Grantee agrees that it will forever forbear taking any action whatsoever to collect against the Grantor, its members or guarantors, on the indebtedness secured by the Property other than by foreclosure of any lien which Grantee may have, and that in any proceeding, Grantee will not seek or obtain a deficiency judgment, costs, or attorney fees against Grantor, its members or guarantors. Other than as set forth in this paragraph, the debt secured by the Property is not satisfied or forgiven.

Grantor hereby waives, surrenders, conveys, and relinquishes any equity of redemption and statutory rights of redemption in respect to the Property. The true consideration for this instrument is Grantee's agreement not to pursue any deficiency judgment, costs, or attorney fees, and other good and valuable consideration.

Grantor is not acting under any misapprehension as to the legal effect of this deed, not under any duress, undue influence, or misrepresentation of Grantee, Grantee's agent or attorney, or any other person.

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, AND SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009. 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, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, AND SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009.



LAKEWOODS DEVELOPMENT, LLC

By: _____

David Hammonds, member

By: _____

Norman Mathis, member

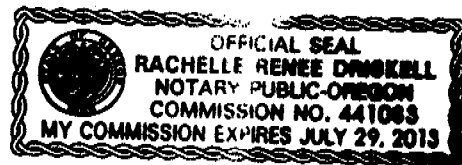
STATE OF OREGON)

) ss.

County of Jackson)

This instrument was acknowledged before me on July 12, 2010, by David Hammonds as member of Lakewoods Development, LLC.

Rachel Renee Driskell
Notary Public for Oregon
My Commission Expires: July 29, 2013



STATE OF OREGON)
) ss.
County of Jackson)

This instrument was acknowledged before me on July 20, 2010, by Norman Mathis as member of Lakewoods Development, LLC.

Rachelle Renee Driskell
Notary Public for Oregon
My Commission Expires: July 29, 2013

\\G:\6011\078\051010Redline Deed in Lieu.wpd

Exhibit A

PARCEL 1:

Lots 12 and 20, Block 1, Tract No. 1034, LAKEWOODS SUBDIVISION UNIT NO. 1, according to the official plat thereof on file in the office of the Clerk of Klamath County, Oregon.

AND

A tract of land being a portion of Lots 21 and 22, Block 1, Tract No. 1034, LAKEWOODS SUBDIVISION UNIT #1, situated in Government Lots 2 and 3 in the NE 1/4 of Section 5, Township 38 South, Range 5 East of the Willamette Meridian, Klamath County, Oregon, being more particularly described as follows:

Lot 22, LESS AND EXCEPTING THEREFROM:

Beginning at the corner common to Lots 21 and 22 on the Northerly boundary of said Tract 1034; thence along said Northerly boundary, South 88° 19' 15" East, 6.12 feet; thence leaving said Northerly boundary, South 00° 03' 07" West, 300.44 feet; thence South 46° 44' 50" West, 8.41 feet; thence North 00° 03' 07" East, 306.39 feet to the point of beginning.

AND that portion of Lot 21 described as follows:

Beginning at the corner common to said Lots 21 and 22, said point being on the Northeasterly right of way of Skiway Drive as platted per said Tract 1034; thence along said right of way, along a 230.00 foot radius curve to the left, through a central angle of 5° 13' 29" an arc distance of 20.97 feet (the long chord of which bears North 45° 48' 51" West, 20.97 feet); thence leaving said right of way, North 7° 44' 04" East, 18.90 feet; thence North 37° 49' 38" East, 25.08 feet; thence North 46° 44' 50" East, 9.50 feet; thence South 43° 15' 10" East, 30.40 feet; thence North 48° 44' 50" East, 65.49 feet; thence South 00° 03' 07" West, 6.87 feet; thence South 46° 44' 50" West, 107.32 feet to the point of beginning.

AND

Lots 17 and 24, Block 2, Tract No. 1034, LAKEWOODS SUBDIVISION UNIT NO. 1, according to the official plat thereof on file in the office of the Clerk of Klamath County, Oregon.

PARCEL 2:

Lots 16, 17 and 18, Block 3, Tract No. 1051, LAKEWOODS SUBDIVISION UNIT NO. 2, according to the official plat thereof on file in the office of the Clerk of Klamath County, Oregon.

PARCEL 3:

Lots 23, 24, 25, 26, 29, 30, 31, 32, 33, 34, 36, 39, 41, 42, and Lot 44, Block 1, Tract No. 1077, LAKEWOODS SUBDIVISION UNIT NO. 3, according to the official plat thereof on file in the office of the Clerk of Klamath County, Oregon.

AND

Lots 1, 2, 3, 5, 6, 7, 8, 9 and 11, Block 5, Tract No. 1077, LAKEWOODS SUBDIVISION UNIT NO. 3, according to the official plat thereof on file in the office of the Clerk of Klamath County, Oregon.

CODE 022 MAP 3805-005B0 TL 00900 KEY# 71219
CODE 008 MAP 3805-005B0 TL 00100 KEY# 71291
CODE 022 MAP 3805-005A0 TL 03800 KEY# 71317
CODE 008 MAP 3805-005A0 TL 06400 KEY# 71818
CODE 008 MAP 3805-005A0 TL 06500 KEY# 71825
CODE 008 MAP 3805-005A0 TL 06600 KEY# 71834
CODE 008 MAP 3805-005A0 TL 03500 KEY# 71898
CODE 008 MAP 3805-005A0 TL 03200 KEY# 71978
CODE 008 MAP 3805-005A0 TL 03100 KEY# 71950
CODE 008 MAP 3805-005A0 TL 03000 KEY# 71941
CODE 008 MAP 3805-005A0 TL 02900 KEY# 71932
CODE 008 MAP 3805-005A0 TL 02800 KEY# 71923
CODE 008 MAP 3805-005A0 TL 02200 KEY# 72021
CODE 008 MAP 3805-005A0 TL 02300 KEY# 72030
CODE 008 MAP 3805-005A0 TL 02500 KEY# 72058
CODE 008 MAP 3805-005A0 TL 01500 KEY# 72101
CODE 008 MAP 3805-005A0 TL 01700 KEY# 72085
CODE 008 MAP 3805-005A0 TL 01800 KEY# 71997
CODE 008 MAP 3805-005A0 TL 02000 KEY# 72003
CODE 008 MAP 3805-005A0 TL 00700 KEY# 72192
CODE 008 MAP 3805-005A0 TL 00800 KEY# 72183
CODE 008 MAP 3805-005A0 TL 00900 KEY# 72174
CODE 008 MAP 3805-005A0 TL 01100 KEY# 72158
CODE 008 MAP 3805-005A0 TL 01200 KEY# 72147
CODE 008 MAP 3805-005A0 TL 01300 KEY# 72138
CODE 008 MAP 3805-005A0 TL 01400 KEY# 72110
CODE 008 MAP 3805-005A0 TL 00100 KEY# 72129
CODE 008 MAP 3805-005A0 TL 00300 KEY# 72236
CODE 022 MAP 3805-005B0 TL 03000 KEY# 71488
CODE 008 MAP 3805-005B0 TL 03100 KEY# 71538
CODE 008 MAP 3805-005A0 TL 03700 KEY# 71914
CODE 008 MAP 3805-005A0 TL 03600 KEY# 71906

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.