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08/24/2010 03:18:17 PM

Fee: \$37.00

RETURN TO:
Andrew C. Brandsness
411 Pine Street
Klamath Falls, OR 97601

TAX STATEMENT TO
South Valley Bank & Trust
P. O. Box 5210
Klamath Falls, OR 97601

DEED IN LIEU OF FORECLOSURE - NO MERGER

THIS INDENTURE between Russell K. Ovgard and Elizabeth K. Ovgard, hereinafter called Grantors, and South Valley Bank & Trust, hereinafter called Grantee:

The real property being conveyed is described as: Parcel 1 of Land Partition 47-05 being a replat of Parcel 2 of Land Partition 3-04 situated in the S1/2 NW1/4 of Section 7, Township 39 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

Grantors covenant that:

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

Grantors are the owners of the premises. The property is encumbered by a trust deed wherein Grantee is Beneficiary dated March 23, 2007 and recorded on March 26, 2007, at 2007-005462 of the official records of Klamath County, Oregon. The trust deed is in default.

This deed does not effect a merger of the fee ownership and the lien of the trust deed described above. The fee and lien shall hereafter remain separate and distinct.

The consideration of this transfer is the forbearance of foreclosure against Grantors and forbearance of an action on the debt against Grantors or a deficiency judgment against Grantors and the waiver of the Grantee's right to collect costs, disbursements and attorney's fees, as well as any deficiency balance due from the Grantors only.

By acceptance of this deed, Grantee covenants and agrees that it shall forever forbear taking any action whatsoever to collect against Grantors on the promissory note given to secure the trust deed described above, other than by foreclosure of that trust deed, and that in any proceeding to foreclose the trust deed it shall not seek, obtain, or permit a deficiency judgment against Grantors, or their heirs or assigns, such rights and remedies being waived.

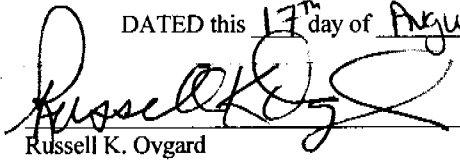
Grantors waive, surrender, convey, and relinquish any equity of redemption and statutory rights of redemption concerning the real property and trust deed described above. Grantors surrender possession of the real property to Grantee.

Grantors are not acting under any misapprehension as to the legal effect of this deed, nor 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 197.352. 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

IN WITNESS WHEREOF the Grantors above-named have executed this instrument.

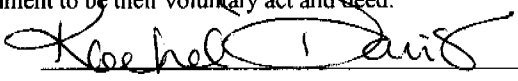
DATED this 17th day of August, 2010.


Russell K. Ovgard


Elizabeth K. Ovgard

STATE OF OREGON, County of Klamath) ss.

Personally appeared before me this 17 day of August, 2000, the above named Russell K. Ovgard and Elizabeth K. Ovgard and acknowledged the foregoing instrument to be their voluntary act and deed.


Notary Public for Oregon

My Commission expires: 12/8/12

