



00089343201000101610010015

08/26/2010 02:42:50 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 Shirley R. Straley, hereinafter called Grantor, and South Valley Bank & Trust, hereinafter called Grantee:

The real property being conveyed is described as Lot 8, Block 5, TALL PINES, FIRST ADDITION, Deschutes County, Oregon. TOGETHER WITH all improvements now located or, hereafter placed thereon, including but not limited to a 2005 Karsten Homes manufactured home, Model No. MC-52865, Serial # 26967 TKCSTOR1605, HUD ORE 471322, ORE 471323 and ORE 471324.

Grantor covenants 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.

Grantor is the owner of the premises. The property is encumbered by a trust deed wherein Grantee is Beneficiary dated June 21, 2007, and recorded on June 27, 2007 at 2007-36002 of the official records of Deschutes 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 Grantor and forbearance of an action on the debt against Grantor or a deficiency judgment against Grantor 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 Grantor only.

By acceptance of this deed, Grantee covenants and agrees that it shall forever forbear taking any action whatsoever to collect against Grantor 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 Grantor, or her heirs or assigns, such rights and remedies being waived.

Grantor waives, surrenders, conveys, and relinquishes any equity of redemption and statutory rights of redemption concerning the real property and trust deed described above. Grantor surrenders possession of the real property to Grantee.

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, 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

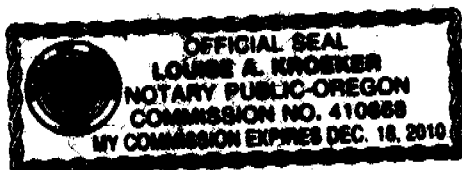
IN WITNESS WHEREOF the Grantor above-named has executed this instrument.

DATED this 19 day of August 2010.

Shirley R. Straley

STATE OF OREGON)
) ss.
County of Deschutes)

Personally appeared before me this 19th day of August, 2010, the above named Shirley R. Straley and acknowledged the foregoing instrument to be her voluntary act and deed.



Notary Public for Oregon
My Commission expires: 12-18-10