

2010-011463

Klamath County, Oregon



00090867201000114630030032

09/28/2010 11:05:57 AM

Fee: \$47.00

TAYES TO
Bill F. Smith
P.O. Box 873
MEDFORD, OR
97501

DEED IN LIEU OF FORECLOSURE

This indenture is made between Patricia A. Rugh, Grantor, and Bill F. Smith Jr. & Jennifer L. Smith, Grantees. Grantors convey to Grantees all that real property situated in Klamath County, Oregon, described as follows:

See exhibit "A" attached hereto and made a part hereof:

with the common street address of 17609 Hwy 39, Klamath Falls, Oregon 97603

also described as Klamath County Assessor's Map No: 4010-02100 TL 009100 KEY 787492

To have and to hold the above-described property unto said Grantees, their successors and assigns forever free from all rights of the Grantor under **Land Sale Contract** and **Memorandum** thereof hereinafter described, but otherwise subject to the **Land Sale Contract** which shall remain alive solely for the purpose of protecting the title to the property against all intervening rights.

Grantor covenants that he/she is the owner of the premises free of all encumbrances and Grantor shall forever defend against all lawful claims and demands, except as to the **Land Sale Contract** and **Memorandum** thereof executed to Grantee which is now in default and subject to immediate foreclosure, and except as to encumbrances created or suffered by Grantees.

Grantees have made demand upon the Grantor to pay the unpaid balance of the obligation secured by said security instrument. Grantor is unable to pay said obligation and has requested that Grantees accept an absolute deed of conveyance of the property in satisfaction of the obligation secured by said security instrument.

The true and actual consideration for this conveyance is the satisfaction by the Grantees of the obligations secured by that certain **Land Sale Contract** executed between the Grantor and Grantees, dated 2-25-2010, a **Memorandum** of which was executed on 2-25-2010 and recorded 3-0-2010, as Document No 2010-80303.7, in the Official Records of Klamath County, Oregon, which shall be canceled upon the recording of this deed. There was due and owing on the **Land Sale Contract** at the time of execution of this deed the sum of \$239,900.00 with interest thereon at a rate of 7% per annum from March 1st 2010 until paid, plus any foreclosure expenses.

This deed is intended by Grantor as an absolute conveyance of all Grantor's right, title and interest in and to the above-described property to the Grantees and is not intended as a mortgage, trust conveyance or security instrument of any kind.

This deed does not effect a merger of the fee ownership and the **Land Sale Contract** described above. The fee and lien shall hereafter remain separate and distinct. Grantee expressly reserves the right to foreclose, either judicially or non-judicially, any encumbrances which existed or attached after the recording of the **Memorandum** of the **Land Sale Contract**, the subject of this **deed in lieu of foreclosure**. Grantor understands that in any such foreclosure, Grantee may have to name Grantor as a party; however, Grantee covenants that no money judgment shall be taken by Grantee against Grantor.

By acceptance of this deed, Grantees covenant and agree that they shall forever forbear taking any action whatsoever to collect against Grantor on the **Land Sale Contract** above described, other than by foreclosure of that **Land Sale Contract**, and that in any proceeding to foreclose the **Land Sale Contract** they shall not seek, obtain or permit a deficiency judgment against the Grantor, his heirs or assigns, such rights and remedies being hereby waived.

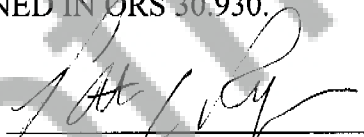
Grantor does hereby waive, surrender, convey and relinquish any equity of redemption and statutory rights of redemption concerning the real property and **Land Sale Contract** described above. Grantees may retain any and all payments previously made on the obligation with no duty to account therefor.

This deed is not given as a preference over any other creditor to the Grantor. Grantor has no creditors whose rights are prejudiced by this conveyance.

Grantor executes and delivers this deed and release of the property freely and voluntarily and are not acting under any duress, undue influence, fraud, misapprehension as to the legal thereof, of misrepresentation by the Grantees, Grantee's agents, attorneys or any other person.

ORS 93.040 requires that the following statement shall be included in the body of an instrument transferring or contracting to transfer fee title to real property: THIS INSTRUMENT WILL 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 AND TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930.

Dated this 3-1-2010



Patricia A. Rugh

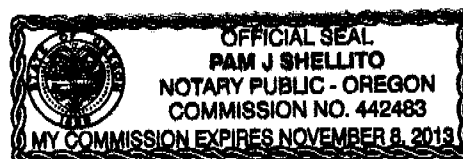
STATE OF OREGON)

County of Klamath)Ss:

On this 1 day of March, 2010 personally appeared Patricia A. Rugh and acknowledged the foregoing instrument to be his/her voluntary act or deed. BEFORE ME:



Notary Public for Oregon
My Commission Expires: Nov 8, 2013



LEGAL DESCRIPTION

A parcel of land situated in the SW 1/4 of Section 21, Township 40 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon, being more particularly described as follows:

Beginning at a point on the West line of said Section 21, from which an aluminum survey cap marking the section corner common to Sections 20, 21, 28 and 29, Township 40 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon bears South 0° 15' 47" East 1005.37 feet; thence along the centerline of a 20 foot wide road easement the following courses and distances: 1) North 82° 24' 23" East 161.50 feet; 2) North 55° 04' 31" East 501.99 feet; 3) North 49° 46' 20" East 108.36 feet; 4) North 38° 36' 01" East 66.71 feet; 5) North 40° 46' 40" West 32.49 feet to a point on the centerline of the U.S.B.R. No. 5 Drain; thence leaving said easement centerline and continuing along said No. 5 Drain following courses and distances: 1) North 53° 44' 39" East 44.23 feet; 2) North 86° 20' 21" East 426.98 feet; 3) North 32° 05' 57" East 46.23 feet; 4) North 01° 16' 58" East 154.64 feet; 5) North 37° 38' 55" West 325.72 feet; 6) North 11° 06' 48" East 250.00 feet; 7) North 25° 36' 48" East 160.00 feet; 8) North 12° 53' 12" West 130 feet, more or less, to the confluence of Lost River; thence upstream along the right bank of said Lost River to a point on the West line of said Section 21; thence along said West line of Section 21 South 0° 15' 47" East 1620 feet, more or less, to the point of beginning.

SAVE AND EXCEPT that portion lying within the U.S.B.R. No. 5 Drain.

TOGETHER WITH a non-exclusive 30 foot wide road easement, for ingress and egress over and across the following described centerline; Beginning at the intersection of the Northeasterly right of way line of State Highway No. 39 (Merrill Highway) and the West line of said Section 28; thence Northerly along said West line of Section 28 to an aluminum survey cap marking the section corner common to said Sections 20, 21, 28 and 29; thence along the East line of said Section 20, North 0° 15' 47" West 1005.37 feet to a point on the centerline of a 20 foot wide road easement, said point being the Southwest corner of Parcel No. 3 of Minor Land Partition No. 34-82; thence along said 20 foot wide road easement centerline North 82° 24' 23" East 161.50 feet; thence continuing along said centerline North 55° 04' 31" East 20.01 feet to a common point of the above described Parcel No. 2 of Minor Land Partition No. 34-82.

CODE: 018 MAP: 4010-02100 TL: 00900 KEY: 787492