

WTC 90167

2011-005606
Klamath County, Oregon



00101405201100056060060067

MAIL TAX STATEMENTS TO:

05/06/2011 03:19:47 PM

Fee: \$62.00

Lisa Dow, Senior Vice President
West Coast Bank
500 E. Broadway, Suite 300
P.O. Box 1087
Vancouver, WA 98666

AFTER RECORDING RETURN TO:

Erich M. Paetsch, Esq.
Saalfeld Griggs P.C.
P.O. Box 470
Salem, OR 97308
Ph: (503) 399-1070

**DEED IN LIEU OF FORECLOSURE - NO MERGER
(TRUST DEED)**

This Deed is by and between KEVIN KELLY AND REBECCA KELLY, individuals (collectively hereinafter "**Grantors**"), and WEST COAST BANK, an Oregon state chartered bank, (the "**Grantee**").

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

LOT 1, TRACT NO. 1281, PINE MEADOW VILLAGE PHASE 1, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE CLERK OF KLAMATH COUNTY, OREGON,

together with all of the tenements, hereditaments, and appurtenances thereto belonging or in anywise appertaining, and commonly known as 34771 Castle Drive, Chiloquin, OR 97624, real property tax account number R-3507-017A0-04100-0 (hereinafter the "**Property**").

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. Grantors are the owners of the Property, subject to all liens and encumbrances of record, and also subject to a trust deed from Grantors, as grantors, to Aspen Title & Escrow, as trustee, for the benefit of Grantee, as beneficiary, said trust deed dated January 2, 2008, and recorded January 9, 2008, in the Real Property Records of Klamath County, Oregon under Recorder's No. 2008-000370 (the "**Deed of Trust**").

Grantors acknowledge that at the time this conveyance is made the balance of the indebtedness against the Property (including resale costs) exceeds the fair market value of the

624m

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 trust deed described above. The fee and lien shall hereafter remain separate and distinct.

The consideration for this conveyance, stated in terms of dollars, is none. The actual consideration consists of other value given as set forth in the section of this Deed immediately below.

By acceptance of this Deed through recordation, Grantee covenants and agrees that it shall conditionally forebear from taking any action to collect against Grantors on the indebtedness secured by the above described trust deed, as recorded in Klamath County, Oregon, other than by a subsequent judicial or non-judicial foreclosure of the non merged Deed of Trust. In any proceeding to foreclose the Deed of Trust, Grantee will not seek to recover any deficiency judgment against Grantors, or the heirs, successors, or assigns of Grantors. Provided, however, in the event of a default under that certain Deed in Lieu of Foreclosure Agreement between Grantors as Borrowers, Grantee as Bank, executed contemporaneously herewith, including all Exhibits thereto (the "**Agreement**"), the representations and obligations of which survive the recording of this Deed, such agreement to forbear by Grantee shall be void and Grantee shall be free to recover upon any and all indebtedness owed less the appraised value of the Property at the time this Deed is recorded.

Upon satisfaction of all conditions set forth in the Agreement and the Bank's subsequent conveyance of title to the Property to a third party free of further title claims or defects, the indebtedness secured by the Deed of Trust shall be deemed fully satisfied.

Grantors hereby waive, surrender, convey and relinquish all claims, demands or liabilities against Grantee (known or unknown, now existing or hereafter arising) and related in any way to the Property or the loan transaction referred to herein, and any equity of redemption and statutory rights of redemption concerning the above-described real property and Deed of Trust.

Grantors represent and warrant to Grantee that to their knowledge there are no environmentally hazardous materials or wastes contained on the Property and that there are no potentially hazardous environmental conditions on the Property and that 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.

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 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, 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."

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 Klamath County, Oregon.

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

The law firm of Saalfeld Griggs PC, of Salem, Oregon, 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.

Dated this 22 day of April, 2011.

[SIGNATURE PAGES FOLLOW]

GRANTEE
WEST COAST BANK:

Yvonne Holden
By: Yvonne Holden
Its: VP LAD



State of Oregon)
)
County of ~~Clackamas~~ Lane) ss.

On this 24 day of April, 2011, personally appeared Yvonne Holden, who being duly sworn, did say that she is the VP LAD of West Coast Bank, an Oregon state chartered bank, and that said instrument was signed on behalf of said bank by authority of its Board of Directors and acknowledged said instrument to be its voluntary act and deed.

Before me:

Kristen D Thrasher
Notary Public for Oregon
My Commission Expires: February 14, 2015

GRANTOR

By: Kevin Kelly

State of NC)

County of Harnett)

ss.

On this 22 day of April, 2011, personally appeared Kevin Kelly and acknowledged the foregoing instrument to be his voluntary act and deed.

Before me:

Candace A Forrester
NOTARY PUBLIC
Bladen County, NC

Candace A. Forrester
Notary Public for Bladen Co.
My Commission Expires: 7/31/2013

Candace A. Forrester

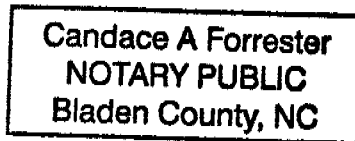
GRANTOR

Rebecca Kelly
By: Rebecca Kelly

State of NC)
County of B1 Harnett ss.

On this 22 day of April, 2011, personally appeared Rebecca Kelly and acknowledged the foregoing instrument to be her voluntary act and deed.

Before me:



Candace A. Forrester
Notary Public for Bladen Co.
expires: 7/31/2013

Candace A. Forrester