

AFTER RECORDING RETURN TO:

JOHN R. HANSON
ATTORNEY AT LAW
23 NEWTOWN STREET
MEDFORD OR 97501

2014-004441

Klamath County, Oregon

05/01/2014 03:22:59 PM

Fee: \$62.00

SEND ALL TAX STATEMENTS TO:

RUSSELL & BETTY DRAKE
1439 N. MADISON STREET
LAFAYETTE, OR 97127

157 2245417

**DEED IN LIEU OF FORECLOSURE
(NON-MERGER)**

ERIBERTO PENA and SYLVIA PENA, GRANTORS, conveys to RUSSELL W. DRAKE, RONALD L. DRAKE and RICHARD A. DRAKE, each as to an undivided one-third (1/3) interest, as tenants in common, GRANTEES, the real property in Klamath County, State of Oregon described as follows:

LOT 23, BLOCK 1, FIRST ADDITION TO ALTAMONT ACRES, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE COUNTY CLERK OF KLAMATH COUNTY, OREGON

The property is also commonly referred to as: 2550 ALTAMONT DRIVE, KLAMATH FALLS, OREGON 97603.

This conveyance contains Grantors' entire right, title and interest in the property.

Grantors executed and delivered to Grantees a Trust Deed dated June 18, 2008, which was recorded on July 3, 2008, as Document No. 2008-009715 in the Official Records of Klamath County, Oregon, to secure payment of a Promissory Note in the principal sum of Two Hundred Twenty-Two Thousand Seven Hundred Fifty Dollars (\$222,750.00).

Grantors executed and delivered to Grantees a second Trust Deed dated June 27, 2008, which was recorded on July 3, 2008, as Document No. 2008-009716 in the Official Records of Klamath County, Oregon, to secure payment of a Promissory Note in the principal sum of Six Thousand Five Hundred Dollars (\$6,500.00).

Both of the above referenced Notes and Trust Deeds are in default and a foreclosure of the Trust Deeds is currently pending. In consideration of Grantees' acceptance of this Deed in Lieu of Foreclosure (this "Deed") and waiver of the right to

collect against Grantors on the two (2) Notes, Grantees may retain all payments previously made on the two Notes, with no duty to account therefor.

This Deed is intended as a conveyance absolute in legal effect, as well as in form, of the title to the Property to Grantees and this Deed is not intended as security of any kind. Grantors waive, surrender, and relinquish any equity of redemption and statutory rights of redemption that Grantors may have in connection with the Property and the Trust Deed referred to above.

Grantors warrant that during the time period that the Property was owned by Grantors, the Property was never used for the generation, manufacture, storage, treatment, disposal, release, or threatened release of any hazardous substance, as those terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA), as amended, 42 USC §9601 et seq., the Superfund Amendments and Reauthorization Act (SARA), other applicable state or federal laws, or regulations adopted pursuant to any of the foregoing. Grantors agree to indemnify and hold Grantees harmless against any and all claims and losses resulting from a breach of this warranty.

THIS DEED DOES NOT EFFECT A MERGER OF THE FEE OWNERSHIP AND THE LIEN OF THE TWO TRUST DEEDS DESCRIBED ABOVE. THE FEE AND THE LIEN SHALL HEREAFTER REMAIN SEPARATE AND DISTINCT. GRANTEES RESERVE THE RIGHT TO FORECLOSE BOTH AND/OR EITHER ONE OF THE TWO TRUST DEEDS AND REPRESENT THAT THE TRUST DEEDS ARE CURRENTLY IN FORECLOSURE. GRANTEES INTEND TO CONTINUE WITH THE FORECLOSURE AS TO ALL OTHER PARTIES WHO MAY CLAIM AN INTEREST OR A LIEN ON THE PROPERTY.

Grantors have read and fully understand the above terms and is not acting under any misapprehension regarding the effect of this Deed, nor are Grantors under any

duress, undue influence, nor are Grantors relying on any representations of Grantee, Grantee's agents, lawyers, or any other person.

By acceptance of this Deed, Grantees covenant and agree that they shall forever forebear taking any action whatsoever to collect against Grantors on the two Promissory Notes given to secure the two Trust Deeds described above, other than by foreclosure of the Trust Deeds, and that in any proceeding to foreclose the two Trust Deeds, they shall not seek, obtain, or permit a deficiency judgment against Grantors, Grantors'-guarantors, Grantors' heirs or assigns, such rights and remedies being waived.

Grantees do not expressly or impliedly agree to assume or pay any contract balances, debts, liens, charges, or obligations that relate or attach to the property, with the exception of the real property taxes.

By accepting delivery and recording this Deed in Lieu of Foreclosure, Grantees accept the terms set forth herein.

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, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. 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, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

DATED this 29 day of April, 2014

Eriberto Pena
ERIBERTO PENA, GRANTOR

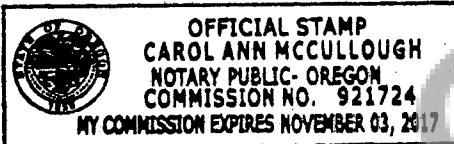
Sylvia Pena
SYLVIA PENA, GRANTOR

STATE OF OREGON

County of Klamath

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On this 29 day of April, 2014, personally appeared before me the within named ERIBERTO PENA, GRANTOR, and acknowledged the foregoing to be his voluntary act and deed.



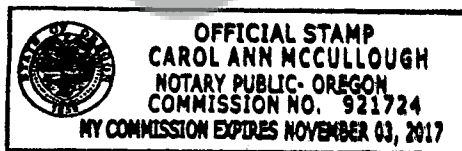
Carol Ann McCullough
Notary Public for Oregon

STATE OF OREGON

County of Klamath

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On this 29 day of April, 2014, personally appeared before me the within named SYLVIA PENA, GRANTOR, and acknowledged the foregoing to be her voluntary act and deed.



Carol Ann McCullough
Notary Public for Oregon