

RETURN TO: Andrew C. Brandsness 411 Pine Street Klamath Falls, OR 97601	TAX STATEMENT TO Eli Property Company, Inc. 65715 Mariposa Lane Bend, OR 97701
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Grantor:

Jose A. Zuniga and Maria M. Zuniga
1032 Eagle Drive
Salinas, CA 93905

Grantee:

Eli Property Company, Inc.
65715 Mariposa Lane
Bend, OR 97701

—DEED IN LIEU OF FORECLOSURE - NO MERGER

THIS INDENTURE between Jose A. Zuniga and Maria M. Zuniga, husband and wife, hereinafter called Grantors, and Eli Property Company, Inc., a California corporation, hereinafter called Grantee:

Grantors convey and warrant to Grantee the following described real property situated in Klamath County, Oregon:

Lot 17 in Block 19 of TRACT NO. 1113, OREGON ^{PS}SHORES UNIT 2, according to the official plat thereof on file in the office of the County Clerk of 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 September 18, 2002 and recorded on October 1, 2002 at Volume M02, Page 55893 of the official records of Klamath County, Oregon. The property is free and clear of all other liens and encumbrances, excepting those preceding the trust deed above-referenced. 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.

By acceptance of this deed, Grantee covenants and agrees that Grantee 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 Grantee shall not seek, obtain, or permit a deficiency judgment against Grantors, or Grantors' 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 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, 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

