

THIS TRUST DEED, made this 10th day of March, 1988, between
ROBERT R. BACON and MARILYN P. BACON, husband and wife

WITNESSETH:

as Beneficiary, **WITNESSETH:**
Grantor irrevocably grants, bargains, sells and conveys to trustee in trust, with power of sale, the property
in Klamath County, Oregon, described as:

The NE¼NE¼, Section 10; The S¼SE¼ and the NE¼SE¼ Section 3, Township 40 South, Range 13 East of the Willamette Meridian, in the County of Klamath, State of Oregon, SAVING AND EXCEPTING THEREFROM that portion of said NE¼SE¼ more particularly described as follows:

Beginning at the Northeast corner of said NE¹/₄SE¹/₄; thence South along the East Section line of said Section 3 a distance of 1032 feet to a point; thence Northwest a distance of 1684 feet to a point on the North line of said NE¹/₄SE¹/₄; a distance of 1297 feet West from the point of beginning; thence East along said North line 1297 feet to the point of beginning.

of beginning; thence East along said North line 1297 feet to the point of beginning together with all and singular the tenements, hereditaments and appurtenances and all other rights thereunto belonging or in anywise now or hereafter appertaining, and the rents, issues and profits thereof and all fixtures now or hereafter attached to or used in connection with said real estate.

sum of FOURTY FIVE THOUSAND AND NO/100 Dollars, with interest thereon according to the terms of a promissory note of even date herewith, payable to beneficiary or order and made by grantor, the final payment of principal and interest hereof, if not sooner paid to be due and payable June 15, 1996. (See Partial Release Provision on page 2)

The date of maturity of the debt secured by this instrument is the date, stated above, on which the final installment or sum not becomes due and payable. In the event the within described property, or any part thereof, or any interest therein is sold, agreed to be sold, conveyed, assigned or alienated by the grantor without first having obtained the written consent or approval of the beneficiary, then, at the beneficiary's option, all obligations secured by this instrument, irrespective of the maturity dates expressed therein, or herein, shall become immediately due and payable.

To protect the security of this trust deed, grantor agrees:

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1. To protect, preserve and maintain said property in good condition and repair; not to remove or demolish any building or improvement thereon; and to prevent or correct any waste of said property.

2. To complete or restore promptly and in good and workmanlike manner any building or improvement which may be constructed, damaged or destroyed by the contractor, and to pay for all costs incurred therefor.

3. To comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting such property; if the beneficiary so requests, to join in executing such financing statements pursuant to the Uniform Commercial Code as the beneficiary may require and to pay for filing same in the proper public office or offices, as well as the cost of all lien searches made by filing officers or searching agencies as may be deemed desirable by the

4. To provide and continuously maintain insurance on the buildings now or hereafter erected on the said premises against loss or damage by fire and such other hazards as the beneficiary may from time to time require, in an amount not less than the insurable value written in

and not more than \$100,000. If the beneficiary may elect to receive the proceeds in installments, the beneficiary shall be deemed to have elected to receive the proceeds in installments if the beneficiary has not elected to receive the proceeds in a lump sum within 60 days of the date of the grantor's death. If the beneficiary elects to receive the proceeds in installments, the beneficiary shall be deemed to have elected to receive the proceeds in installments if the beneficiary has not elected to receive the proceeds in a lump sum within 60 days of the date of the grantor's death. If the beneficiary elects to receive the proceeds in installments, the beneficiary shall be deemed to have elected to receive the proceeds in installments if the beneficiary has not elected to receive the proceeds in a lump sum within 60 days of the date of the grantor's death.

5. To keep said premises free from construction liens and to pay all taxes, assessments and other charges any part of such taxes, assessments and other charges become due or delinquent and promptly deliver receipts therefor to beneficiaries, should the grantor fail to make payment of any such taxes, assessments, insurance premiums, liens or other charges payable by grantor, either by direct payment or by providing beneficiary with funds with which to make such payments, beneficiary may, at the rate set forth in the note secured and the amounts to be paid, with interest and attorneys' fees, as provided herein, together with costs incurred in the investigation described in paragraphs 6 and 7 of this trust deed, together with costs incurred in the investigation described in paragraphs 6 and 7 of this trust deed, without waiver of any rights arising from breach of any of the trust deed or without waiver of any rights arising from breach of any of the provisions hereof and for such payments, with interest and attorneys' fees, as provided hereinbefore described, as well as the grantor, shall be bound to the same extent that they are bound for such payment of the obligation herein described, and all such payments shall be immediately due and payable without notice, and the nonpayment of any such payments shall, at the option of the beneficiary, render all sums payable by the trust deed immediately due and payable and render all sums payable by the trust deed.

6. To pay all costs, fees and expenses of the trustee incurred of title search as well as the other costs and expenses of the trustee in connection with or in enforcing this obligation and trustee's and attorney's fees actually incurred.

7. To support, defend and defend any action or proceeding purporting to affect the senior rights or powers of beneficiary or trustee; and in any suit, action or proceeding in which the beneficiary or trustee may appear, including any suit for the foreclosure of this deed, to pay all costs and expenses, including reasonable attorney's fees, and to defend the beneficiary or trustee's attorney's fees; the closing evidence of title and the closing of this paragraph 7 in all cases shall be the amount of attorney's fees and costs and in the event of an appeal from any judgment or order of the court, the trustee or the beneficiary shall be bound to pay such costs and attorney's fees. The trustee, grantor further agrees to pay such costs and attorney's fees as the trial court, grantor shall deem reasonable as the beneficiary's or trustee's attorney's fees on such appeal.

It is mutually agreed that:

3. In the event that any portion or all of said property shall be taken under the right of eminent domain or condemnation, hereinafter shall have the right, if necessary, to require that all or any portion of the monies payable under such condemnation for such taking, which are in excess of the amount required to pay all reasonable costs, expenses and attorney's fees, necessarily paid or incurred by grantor in such proceedings, shall be paid to beneficiary and applied by it last upon any reasonable costs and expenses and attorney's fees, both in the trial and appellate courts, necessarily paid or incurred by beneficiary in such proceedings and the balance applied upon the indebtedness secured by said mortgage, and grantor agrees, at its own expense, to take such actions and execute such instruments as shall be necessary in obtaining such compensation, or simply upon beneficiary's request.

9. At any time and from time to time upon written request of beneficiary, payment of its fees and presentation of this deed and the note for endorsement (in case of full reconveyances, for cancellation), without affecting the liability of any person for the payment of the indebtedness, trustee may (a) consent to the making of any map or plat of said property; (b) join in

granting any easement or creating any restriction thereon; (c) join in any subordination or other agreement affecting this deed or the lien or charge thereon; (d) reconvey, without warranty, all or any part of the property. The grantee in any reconveyance may be described as the "person or persons legally entitled thereto," and the recitals therein of any matters or facts shall be conclusive proof of the truthfulness thereof. Trustee's fees for any of the foregoing shall not exceed \$5.00.

10. Upon receipt by grantor hereunder, beneficiary may at any time without notice, either in person, by agent or by a receiver to be appointed by a court, and without regard to the adequacy of security provided by said mortgage, take possession of said property secured hereby, and sell same as he or she otherwise collects the rents, interest or any other income therefrom, and apply the proceeds thereof to pay the principal and profits, including those past due and unpaid, and apply the balance of such proceeds to the payment of all reasonable attorneys' fees and costs and expenses of operation and collection, including reasonable attorney's fees upon any indebtedness secured hereby, and in such order as beneficiary shall deem proper.

11. The entering upon and taking possession of said property, the collection of such rents, issues and profits, or the proceeds of tire and other insurance policies or compensation or awards for any taking or damage of the property, and the application or release thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done

12. Upon default by grantor in payment of any indebtedness secured hereby or in his performance of any agreement hereunder, time being of the essence with respect to such payment and/or performance, the beneficiary may declare all sums secured hereby immediately due and payable. In such event, the beneficiary at his election may proceed to foreclose this trust deed by advertisement as a mortgage or direct the trustee to foreclose this trust deed by advertisement and sale, or may direct the trustee to pursue any other right or remedy, either at law or in equity, which the beneficiary may have. In the latter event the beneficiary or the trustee may elect to cause to be recorded his written notice of default and his election to sell the said described real property to satisfy the indebtedness secured hereby whereupon the trustee shall fix the time and place of sale, give notice thereof as then required by law and proceed to foreclose this trust deed in the manner provided in ORS 86.735 to 86.784.

13. After the trustee has commenced foreclosure by advertisement and sale, and at any time prior to 5 days before the date the trustee conducts the sale, the grantor or any other person so privileged by ORS 753, may cure the default or defaults. If the default consists of a failure to pay, when due, the sum(s) secured by the trust, the default may be cured by paying the sum(s) secured by the trust. If the time of the cure other than such portion as would be due has been determined, the default, the default(s) or defaults, under the trust may be cured by tendering the performance required under the obligation or trust deed. In any case, in addition to the sum(s) secured by the trust, the person electing the cure shall pay to the beneficiary all costs and expenses actually incurred in enforcing the obligation of the trust deed together with trustee's and attorney's fees not exceeding the amounts provided for in the trust deed.

14. Otherwise, the sale shall be held on the date and at the time and place designated in the notice of sale. The trustee may sell said property either in one parcel or in separate parcels and shall sell the parcel or parcels at public auction to the highest bidder for cash, payable in full at the time of sale. The Trustee shall deliver to the purchaser a deed in and to the property as required by law conveying said property to the purchaser without any covenant or warranty, express or implied. The recitals in the deed of any matters of fact shall be conclusively presumed to be true and correct. The deed shall be subject to the lien of the truthfulness thereof. Any purchase at the sale.

15. When trustee shall make sale pursuant to the powers provided herein, trustee shall apply the proceeds of sale to payment of (1) the expenses of sale, in and out of court, (2) the compensation of the trustee and a reasonable charge for his services, (3) to the satisfaction of all persons claiming the compensation of the trustee and a reasonable charge for his services, (4) to the obligation secured by the trust deed, (5) to the interest of the trustee in the trust having recorded lien subsequent to the interest of the trustee in their priority and (6) the interest of the grantor or his successor in interest entitled to such surplus, if any, to the grantor or to his successor in interest entitled to such surplus.

16. Beneficiary may from time to time appoint a successor or successors to any trustee named herein or to any successor trustee so appointed hereunder. Upon such appointment, the trustee shall execute and deliver to the trustee, the trustee herein named or appointed hereunder. Each such appointment and substitution shall be made by written instrument recorded by beneficiary, which, when recorded in the public records of the county or counties in which the real property is situated, shall be conclusive proof of proper appointment of the successor trustee.

17. Trustee accepts this trust when this deed, duly executed and acknowledged is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other deed of trust or of any action or proceeding in which grantor, beneficiary or trustee shall be a party unless such action or proceeding is brought by trustee.

NOTE: The Trust Deed Act provides that the trustee hereunder must be either an attorney, who is an active member of the Oregon State Bar, a bank, trust company or savings and loan association authorized to do business under the laws of Oregon or the United States, a title insurance company authorized to insure title to real property of this state, its subdivisions, affiliates, agents or branches, the United States or any agency thereof, or an escrow agent licensed under ORS 696.505 to 696.585.

The grantor covenants and agrees to and with the beneficiary and those claiming under him, that he is lawfully seized in fee simple of said described real property and has a valid, unencumbered title thereto

None

and that he will warrant and forever defend the same against all persons whomsoever.

THE BENEFICIARIES SHALL CAUSE TO BE RELEASED FROM THE LIEN OR CHARGE OF THIS DEED OF TRUST, A 20 ACRE PARCEL OF PROPERTY (THE LEGAL DESCRIPTION AND LOCATION OF SAME TO BE DESIGNATED AND SURVEYED BY THE GRANTOR HEREIN, AT GRANTOR'S EXPENSE, AT THE TIME OF SUCH RELEASE): WITH NO REQUIRED PAYMENT FOR SAME PROVIDED, HOWEVER, THAT THE NOTE AND DEED OF TRUST IS NOT IN DEFAULT AT THE TIME OF THE REQUEST BY GRANTOR.

John Edward Harris
JOHN EDWARD HARRIS, BENEFICIARY

Opal Harris
OPAL HARRIS, BENEFICIARY

The grantor warrants that the proceeds of the loan represented by the above described note and this trust deed are:
(a) primarily for grantor's personal, family or household purposes (see Important Notice below).
(b) for an organization, or (even if grantor is a natural person) are for business or commercial purposes.

This deed applies to, inures to the benefit of and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, personal representatives, successors and assigns. The term beneficiary shall mean the holder and owner, including pledgee, of the contract secured hereby, whether or not named as a beneficiary herein. 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.

IN WITNESS WHEREOF, said grantor has hereunto set his hand the day and year first above written.

* IMPORTANT NOTICE: Delete, by lining out, whichever warranty (a) or (b) is not applicable; if warranty (a) is applicable and the beneficiary is a creditor as such word is defined in the Truth-in-Lending Act and Regulation Z, the beneficiary MUST comply with the Act and Regulation by making required disclosures; for this purpose use Stevens-Hess Form No. 1319, or equivalent. If compliance with the Act is not required, disregard this notice.

Robert R. Bacon
Robert R. Bacon
Marilyn P. Bacon
Marilyn P. Bacon

(If the signer of the above is a corporation, use the form of acknowledgment opposite.)

STATE OF OREGON.

County of Klamath

This instrument was acknowledged before me on
March 16, 1988, by

Robert R. Bacon and Marilyn P. Bacon, husband and wife

Landra Blandsaker
Notary Public for Oregon
(SEAL) My commission expires: 7-23-89

STATE OF OREGON.

County of _____

This instrument was acknowledged before me on
19 _____, by

as

of

Notary Public for Oregon

My commission expires:

(SEAL)

REQUEST FOR FULL RECONVEYANCE

To be used only when obligations have been paid.

TO: _____, Trustee

The undersigned is the legal owner and holder of all indebtedness secured by the foregoing trust deed. All sums secured by said trust deed have been fully paid and satisfied. You hereby are directed, on payment to you of any sums owing to you under the terms of said trust deed or pursuant to statute, to cancel all evidences of indebtedness secured by said trust deed (which are delivered to you herewith together with said trust deed) and to reconvey, without warranty, to the parties designated by the terms of said trust deed the estate now held by you under the same. Mail reconveyance and documents to _____

DATED: _____, 19____

Beneficiary

Do not lose or destroy this Trust Deed OR THE NOTE which it secures. Both must be delivered to the trustee for cancellation before reconveyance will be made.

TRUST DEED

(FORM No. 881)

STEVENS HESS LAW PUBL. CO. PORTLAND, ORE.

Robert R. Bacon

Marilyn P. Bacon

Grantor

John Edward Harris

Opal Harris

Beneficiary

AFTER RECORDING RETURN TO

John Edward Harris

Opal Harris

ATC

SPACE RESERVED
FOR
RECORDER'S USE

STATE OF OREGON,
County of Klamath

I certify that the within instrument was received for record on the 16th day of March, 1988, at 3:01 o'clock P.M., and recorded in book/reel/volume No. M88 on page 3756 or as fee/file/instrument/microfilm/reception No. 85311, Record of Mortgages of said County. Witness my hand and seal of County affixed.

Evelyn Biehn, County Clerk

NAME

TITLE

Fee: \$10.00 By Pam Smith Deputy