

After recording return to:

(Space reserved for recorder's use)

04 Mr. Lee A. Mills
BROPHY, MILLS, SCHMOR
GERKING & BROPHY, PC
201 West Main, Suite 5
Medford, OR 97501

Vol M02 Page 47663

Until a change is requested, all tax statements
shall be sent to the following address:

Oral and Helen Bell, Trustees
P.O. Box 1203
Medford, OR 97501

State of Oregon, County of Klamath
Recorded 08/23/2002 1:32 p.m.
Vol M02, Pg 47663-668
Linda Smith, County Clerk
Fee \$ 46.00 # of Pgs 608

NON-MERGER DEED

This Deed is made, executed, and entered into this 23 day of August, 2002, by and between JERROLD B. JOHNSON and CAMILLE A. JOHNSON, (hereinafter referred to as "Grantor"), and ORAL L. BELL and HELEN BELL, Trustees of the Bell's Master Collaborative Trust Dated March 9, 1994, (hereinafter referred to as "Grantee").

Grantor holds the fee simple title interest to all or a portion of the real property which is legally described in Exhibit "1" attached hereto and is hereafter referred to as the "Subject Property".

The consideration for this Deed is Grantee's agreement not to seek a deficiency judgment against Grantor and the sum of \$100.00.

To evidence and secure a certain loan made by Grantee to Grantor, the Grantor executed and delivered to Grantee the following Loan Documents:

- (a) Promissory Note dated October 9, 2000; and
- (b) Deed of Trust dated October 13, 2000, and recorded on October 16, 2000, in Volume M00, Page 37712, of the Official Records of Klamath County, Oregon.

Grantor and Grantee agree that the Grantee's loan to Grantor is in default, that Grantee has commenced a foreclosure in Klamath County, that the value of the Subject Property, the improvements thereon, and any other property constituting security for the above-described documents is less than

the outstanding principal balance, accrued interest, and other liens owing against the property. The parties desire to resolve this foreclosure matter between them:

- (a) By Grantor providing for the conveyance of the Subject Property and the improvements thereon to Grantee;
- (b) By Grantee agreeing not to seek a deficiency judgment against Grantor.

WHEREFORE, IN CONSIDERATION OF the mutual covenants described herein Grantor hereby grants, conveys, transfers, and quitclaims to Grantee, its successors and assigns, the Subject Property and improvements thereon, together with all of the interest, easements, rights, (including statutory redemption rights), title, privileges, fixtures, and appurtenances now or hereafter belonging to, located on or used in connection with the Subject Property; provided, however, that Grantee reserves unto itself all right, title and interest it has in the Subject Property by reason of the Loan Documents.

GRANTOR RESERVES THE RIGHT TO REMOVE 1955 MASSEY FERGUSON TRACTOR 125

Grantor acknowledges and agrees that, except for the Loan Documents, the conveyance of the Subject Property to Grantee according to the terms of this Non-Merger Deed is an absolute conveyance of all of Grantor's right, title, and interest in and to the Subject Property in fact as well as form, and is not now intended as a mortgage, trust conveyance, deed of trust, or other security instrument of any kind, the consideration for such conveyance being exactly as recited herein; that the Grantor has no further interest or claims in and to the Subject Property, or to the proceeds and profits that may be derived therefrom, of any kind whatsoever; that Grantee shall be entitled to possession of the Subject Property, upon execution of this Non-Merger Deed, that in executing this Deed, Grantor is not acting under any misapprehension as to the effect thereof or any duress, undue influence, or misrepresentation by Grantee, or its representatives, agents, or attorneys; that there is no person, partnership, or corporation other than Grantee interested in the Subject Property, directly or indirectly, in any manner whatsoever, except as disclosed in the public records.

It is the express intent of Grantee and Grantor that the interests of Grantee, as owner, shall not merge with the interests of Grantor under the Loan Documents, so as to forfeit or in any way prejudice the rights of Grantee with respect to the Subject Property, but shall be and remain at all times separate and distinct, notwithstanding any union of said interests in the Grantee at any time by purchase, termination, or otherwise; and that the lien of the Grantee in the Subject Property evidenced by the Loan Documents shall be and remain at all times a valid and continuous lien upon the Subject Property, and that Grantee shall continue its foreclosure action.

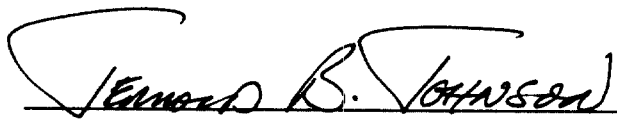
THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES.

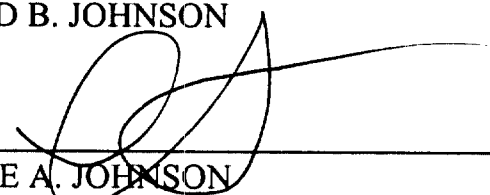
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Dated this 23 day of August, 2002.

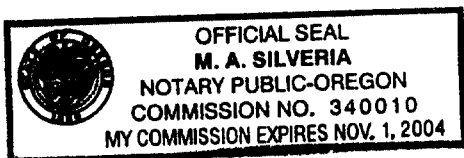
"GRANTOR"



JERROLD B. JOHNSON


CAMILLE A. JOHNSON

STATE OF OREGON)
 : ss.
County of Klamath)

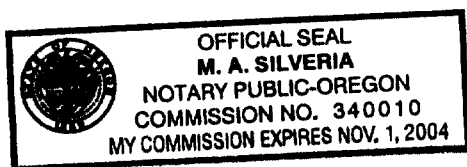
On the 23 day of August, 2002, before me personally appeared the above-named JERROLD B. JOHNSON and acknowledged the foregoing instrument to be his voluntary act and deed.




NOTARY PUBLIC - STATE OF OREGON
My Commission expires: 11-01-04

STATE OF OREGON)
 : ss.
County of Klamath)

On the 23 day of August, 2002, before me personally appeared the above-named CAMILLE A. JOHNSON and acknowledged the foregoing instrument to be her voluntary act and deed.





NOTARY PUBLIC - STATE OF OREGON
My Commission expires: 11-01-04

EXHIBIT "1"**PROPERTY LEGAL DESCRIPTION**

Lots 23, 24 and 25, Block 91, Klamath Falls Forest Estates Highway 66 Unit,
Plat No. 4, in the County of Klamath, State of Oregon.

Code 114	Map 3711-22AO	TL	2800
Code 36	Map 3711-22AO	TL	2900 & 3000

GRANTOR: Jerrold B. Johnson and Camille A. Johnson

BENEFICIARY: Oral L. Bell and Helen Bell, Trustees of the Bell's Master Collaborative Trust
Dated March 9, 1994

Deed of Trust dated October 13, 2000, and recorded on October 16, 2000, in Volume M00, Page 37712, of the Official Records of Klamath County, Oregon.

TRUSTEE'S AFFIDAVIT AS TO NON-OCCUPANCY

STATE OF OREGON)
 : ss.
County of Oregon)

I, DAVID B. PARADIS, being first duly sworn, depose, say and certify that:

I am the Successor Trustee in that certain Deed of Trust executed and delivered by JERROLD B. JOHNSON and CAMILLE A. JOHNSON, as Grantor, and ASPEN TITLE AND ESCROW, INC., as Trustee, in favor of ORAL L. and HELEN BELL, Trustees of the Bell's Master Collaborative Trust Dated March 9, 1994, as Beneficiary, dated October 13, 2000, and recorded October 16, 2002, in Volume M00, Page 37712, of the Official Records of Klamath, County, Oregon, covering the following described real property situated in said county and state, to-wit:

Lots 23, 24 and 25, Block 91, Klamath Falls Forest Estates Highway 66 Unit,
Plat No. 4, in the County of Klamath, State of Oregon.

Code 114	Map 3711-22AO	TL	2800
Code 36	Map 3711-22AO	TL	2900 & 3000

I hereby certify that Jerrold B. Johnson and Camille A. Johnson originally occupied the above described real property but have since moved and the above described real property is not now occupied.

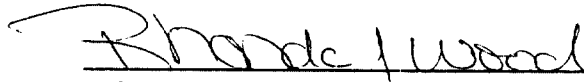
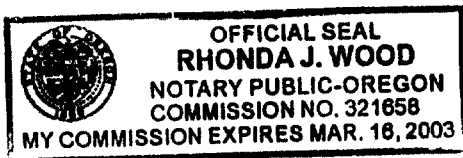
The word "Trustee" as used in this Affidavit means any Successor-Trustee to the Trustee named in the Trust Deed first mentioned above.

DATED: August 22, 2002.



DAVID B. PARADIS

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me this 22 day of August, 2002, by David B. Paradis, Successor-Trustee.



NOTARY PUBLIC - STATE OF OREGON

My Commission expires: 3/16/03

After recording return to:

Mr. Lee A. Mills
Brophy, Mills, Schmor,
Gerking & Brophy, LLP
P. O. Box 128
Medford, Oregon 97501