

TRUSTEE'S NAME:

Joseph E. Kellerman
717 Murphy Road
Medford, Oregon 97504

UNTIL REQUESTED OTHERWISE, SEND
ALL TAX STATEMENTS TO:
Cecil and Bernice Halstead
3601 Princeton Way
Medford, Oregon 97504

AFTER RECORDING RETURN TO:

Joseph E. Kellerman
717 Murphy Road
Medford, Oregon 97504

State of Oregon, County of Klamath
Recorded 03/05/2002 10:49 a m.
Vol M02, Pg 13082-85
Linda Smith, County Clerk
Fee \$ 36⁰⁰ # of Pgs 4
16⁰⁰

TRUSTEE'S DEED

THIS INDENTURE, dated February 28, 2002, between JOSEPH E. KELLERMAN, hereinafter called Trustee, and CECIL HALSTEAD and BERNICE HALSTEAD, hereinafter called the Second Parties; WITNESSETH:

RECITALS: ZORAN KATZ and DRAGICA KATZ, as Grantors, executed and delivered to ASPEN TITLE & ESCROW, as Trustee, for the benefit of CECIL HALSTEAD and BERNICE HALSTEAD, husband and wife, as Beneficiaries, a certain Trust Deed dated December 2nd, 1998, recorded on December 7th, 1998, in the Records of Klamath County, Oregon, Volume No. M98 at Page 44711. In that Trust Deed, the real property therein and hereafter described was conveyed by the Grantors to the Trustee to secure, among other things, the performance of certain obligations of the Grantors to the Beneficiaries. The Grantors thereafter defaulted in performance of the obligations secured by the Trust Deed as stated in the Notice Of Default hereinafter mentioned, and such default still existed at the time of the sale hereinafter described. On October 3rd, 2001 an Appointment of Successor Trustee, appointing Joseph E. Kellerman as Successor Trustee, was recorded in the Records of Klamath County, Oregon, Volume No. M01, at Page 50542.

By reason of the default, the owner and holder of the obligations secured by the Trust Deed, being the Beneficiaries herein named, or the Beneficiaries' successor in interest, declared all sums so secured immediately due and owing. A Notice of Default containing an election to sell the real property and to foreclose the Trust Deed by advertisement and sale to satisfy the said Grantors' obligations was recorded on October 3, 2001, in the Records of Klamath County, Oregon, Volume No. M01 at Page 50543, to which reference now is made.

After recording the Notice Of Default and Election to Sell, the undersigned Trustee gave notice of the time for and place of sale of the real property, as fixed by the Trustee and as required by law. Notices of Sale as required by ORS 86.745 were served pursuant to ORCP 7 D. (2) and 7 D. (3), or mailed by both first class and certified mail with return receipt requested, to the last known addresses of the persons or their legal representatives, if any, named in ORS 86.740(1) and 86.740(2)(a), at least 120 days before the date the property was sold. Such

TRUSTEE'S DEED - 1

Notices of Sale as required by ORS 86.745 were mailed by first class and certified mail with return receipt requested to the last known address of the fiduciary or personal representative of any person named in ORS 86.740(1), promptly after the Trustee received knowledge of the disability, insanity or death of any such person if any. The Trustee published a copy of the Notice Of Sale as required by ORS 86.745 in a newspaper of general circulation in each county in which the real property is situated once a week for four successive weeks. The last publication of the notice occurred more than 20 days prior to the date of sale. The mailing, service and publication of the Notice Of Sale are shown by affidavits and/or proofs of service duly recorded prior to the date of sale in the county records, those affidavits and proofs, together with the Notice Of Default and Election To Sell, being now referred to and incorporated in and made a part of this deed as if fully set forth herein. The undersigned Trustee has no actual notice of any person, other than the persons named in those affidavits and proofs as having or claiming a lien on or interest in the real property, entitled to notice pursuant to ORS 86.740(1)(b) and (1)(c).

The true and actual consideration for this conveyance is \$216,365.03.

The undersigned Trustee, on February 28, 2002, at the hour of 10:30 o'clock a.m., in accord with the standard of time established by ORS 187.110 which was the day and hour set in the Notice Of Default and Election to Sell and at the place so fixed for sale, in full accordance with the laws of the State of Oregon and pursuant to the powers conferred upon the Trustee by the Trust Deed, caused the real property to be sold in one parcel at public auction to the Second Parties for the sum of \$216,365.03, the Second Parties being the highest and best bidder at the sale, and that sum being the highest and best bid for the property.

NOW THEREFORE, in consideration of that sum so paid by the Second Parties, the receipt whereof is acknowledged, and by the authority vested in the Trustee by the laws of the State of Oregon and by the Trust Deed, the Trustee does hereby convey unto the Second Parties all interest which the Grantors had or had the power to convey at the time of Grantors' execution of the Trust Deed, together with any interest the Grantors or Grantors' successors in interest acquired after the execution of the Trust Deed in and to the following described real property, to-wit:

Lots 1, 2, 3, 4 and 5, Block 96, KLAMATH ADDITION TO THE
CITY OF KLAMATH FALLS, in the County of Klamath, State of
Oregon.

Code 1, MAP 3809-32AD PL 5100.

TO HAVE AND TO HOLD the same unto the Second Parties and the Second Parties' heirs, successors in interest and assigns forever.

In construing this instrument, and whenever the context so requires, the singular includes the plural; "grantor" includes any successor in interest to the grantor, as well as each and every other person owing an obligation, the performance of which is secured by the Trust Deed; "trustee" includes any successor trustee; "beneficiary" includes any successor in interest of the beneficiary first named above; and "person" includes a corporation and any other legal or commercial entity.

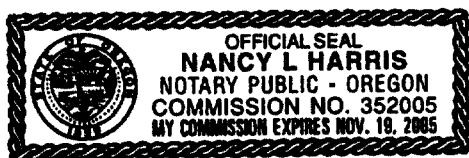
THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES AND TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930.

IN WITNESS WHERE, the undersigned Trustee has hereunto executed this document. If the undersigned is a corporation, it has caused its name to be signed and its seal, if any, affixed by an officer or other person duly authorized to do so by order of its board of directors.


Joseph E. Kellerman, Trustee

STATE OF OREGON)
) ss
COUNTY OF JACKSON)

This instrument was acknowledged before me on this 28th day of February, 2002, by Joseph E. Kellerman.





Notary Public for Oregon

My Commission Expires: 11-19-2005

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CERTIFICATE OF NON-MILITARY SERVICE

STATE OF OREGON)
) ss.
 County of Jackson)

THIS IS TO CERTIFY that I am the successor trustee under that certain trust deed in which Zoron Katz and Dragica Katz, as Grantors, to Aspen Title & Escrow, Inc., an Oregon corporation, as trustee, in which Cecil Halstead and Bernice M. Halstead, husband and wife, are beneficiaries, dated December 2, 1998 and recorded on December 7, 1998 as Instrument found at Book M-98, Page 44711 of the Official Records of Klamath County, Oregon; thereafter and on October 3, 2001 there was recorded as document found at volume M0, Page 50543, the beneficiaries notice of default and election to sell with respect to the performance of the obligation secured by said deed of trust; thereafter, the said deed of trust was duly foreclosed by advertisement and sale and the real property covered by said deed of trust was sold at the trustee's sale on the 28th of February, 2002; I reasonably believe at no time during the period of three months and one day immediately preceding the day of said sale and including the day thereof, was the real property described in and covered by said trust deed, or any interest therein, owned by a person in the military service as defined in Article I of the "Soldiers' and Sailors' Civil Relief Act of 1940," as amended.

In construing this certificate the masculine includes the feminine, the singular includes the plural, the word "grantor" includes any successor in interest to the grantor, the word "trustee" includes any successor trustee, and the word "beneficiary" includes any successor in interest to the beneficiary named in said trust deed.

Joseph E. Kellerman

STATE OF OREGON, County of Jackson ss.

February 28

, 2002

Personally appeared the above-named Joseph E. Kellerman who subscribed and swore to the foregoing certificate and acknowledged the foregoing instrument to be his voluntary act and deed.



Before me: Nancy L. Harris

Nancy L. Harris

Notary Public for Oregon

My Commission Expires: 11-19-2005

CERTIFICATE OF NON-MILITARY SERVICE

Re Trust Deed from

Grantor

to

Trustee

AFTER RECORDING RETURN TO:

Hornecker, Cowling, Hassen & Heysell, LLP
 Attn: Joseph E. Kellerman
 717 Murphy Road
 Medford, OR 97504

STATE OF OREGON)
) ss.
 County of _____)

I certify that the within instrument was received for record on the _____ day of _____, 2002, at _____ o'clock _____ m., and recorded in book/reel/volume _____ on page _____, or as fee/file/instrument/microfilm/reception No. _____, of the Records of said County.

Name Title

By _____ Deputy