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Tax Statements to:
U.S. SMALL BUSINESS ADMINISTRATION
1515 S.W. Fifth Avenue, Suite 1050
Portland, OR 97201-5494

Vol M02 Page 37139

State of Oregon, County of Klamath
Recorded 06/27/2002 2:25 p. m.
Vol M02, Pg 37139-42
Linda Smith, County Clerk
Fee \$ 36.00 # of Pgs 4

The true and actual consideration for this conveyance is \$270,000.00

TRUSTEE'S DEED

THIS INDENTURE, Made this 21st day of June, 2002, between AMERITITLE, hereinafter called trustee, and U.S. SMALL BUSINESS ADMINISTRATION, an agency of the United States of America hereinafter called the second party;

WITNESSETH:

RECITALS: CONNIE B. POLLEY aka CONNIE B. WORREL, as grantor executed and delivered to MOUNTAIN TITLE COMPANY OF KLAMATH COUNTY, as trustee, for the benefit of WESTERN BANK, as beneficiary, a certain trust deed dated September 27, 1995 and duly recorded on October 18, 1995, in Book M95 at Page 28359, Deed Records of Klamath County, Oregon. In that trust deed the real property therein and hereinafter described was conveyed by the grantor to the trustee to secure, among other things, the performance of certain obligations of the grantor to the beneficiary. The grantor 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.

By reason of the default, the owner and holder of the obligations secured by the trust deed, being the beneficiary therein named, or beneficiary's 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 grantor's obligations was recorded on January 30, 2002, in Book M02 at Page 5933, Klamath County Deed Records, to which reference now is made.

After recording the notice of default, 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. Copies of the notice of sale were served pursuant to ORCP 7D.(2) and 7D.(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 (2) (a), at least 120 days before the date the property was sold. A copy of the notice of sale was mailed by first class and certified mail with return receipt requested to the last-known address of the guardian, conservator or administrator or executor 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. Copies of the notice of sale were served upon occupants of the property described in the trust deed in the manner in which a summons is served pursuant to ORCP 7D.(2) and 7D.(3) at least 120 days before the date the property was sold, pursuant to ORS 86.750(1).

If the foreclosure proceedings were stayed and released from the stay, copies of an amended notice of sale in the form required by ORS 86.755(6) were mailed by registered or certified mail to the last-known address of those persons listed in ORS 86.740 and 86.750(1) and to the address provided by each person who was present at the time and place set for the sale which was stayed within 30 days after the release from the stay. The trustee published a copy of the notice of sale 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 and the notice of sale, 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) or (1)-(c).

The undersigned trustee on June 19, 2002, at the hour of 10:30 o'clock, A.M. in accord with the standard of time established by ORS 187.110, 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, sold the real property in one parcel at public auction to the second party for the sum of \$, the second party 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 party in cash, 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 party all interest which the grantor had or had the power to convey at the time of grantor's execution of the trust deed, together with any interest the grantor or grantor's successors in interest acquired after the execution of the trust deed in and to the following described real property, to-wit:

See Exhibit "A" attached hereto and made a part hereof

TO HAVE AND TO HOLD the same unto the second party, second party's heirs, successors in interest and assigns forever.

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

IN WITNESS WHEREOF, the undersigned trustee has hereunto executed this document.

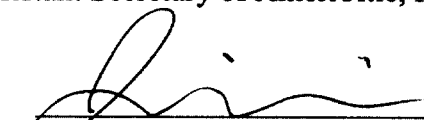
THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO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

AMERITITLE, INC.


BY: BARBARA L. THOMAS, ASSISTANT SECRETARY

STATE OF OREGON, County of Douglas)ss.

This instrument was acknowledged before me on June 21, 2002, by Barbara L. Thomas, Assistant Secretary of AmeriTitle, Inc.


Notary Public for Oregon
My commission expires March 4, 2006

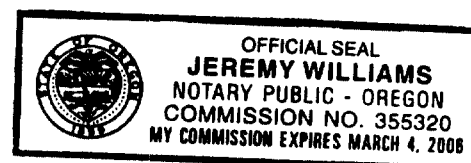


EXHIBIT "A"

PARCEL 1

Lots 9, 10, 11, 12, and 13 in Block 205, MILLS SECOND ADDITION to Klamath Falls.

EXCEPT that portion conveyed to State of Oregon, by and through its State Highway Commission, by deeds recorded May 18, 1943, in Book 158 at page 410 and recorded September 8, 1943, in Book 158 at page 281, all in Deed Records of Klamath County, Oregon.

Lots 19 and 20 in Block 206, MILLS SECOND ADDITION to the City of Klamath Falls.

PARCEL 2

Lots 1, 2, and 3 in Block 206, MILLS SECOND ADDITION to the City of Klamath Falls.

Tax Acct. No.:	001 - 3809-33DC-13300	Key No.:	631819
Tax Acct. No.:	001 - 3809-33DC-14900	Key No.:	631971
Tax Acct. No.:	001 - 3809-33DC-13400	Key No.:	631828
Tax Acct. No.:	001 - 3809-33DC-13500	Key No.:	631837