

Return to: Brandsness, Brandsness & Rudd, P.C. 411 Pine Street Klamath Falls, Oregon 97601	Clerk's Stamp:
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**TRUSTEE'S NOTICE OF DEFAULT
AND ELECTION TO SELL AND OF SALE**

Reference is made to the following Trust Deed: Beth E. Deaver, Grantor; William P. Brandsness, Trustee; and South Valley Bank & Trust, Beneficiary, recorded in Official/Microfilm Records, Volume M96, Page 33633, Klamath County, Oregon, covering the following-described real property in Klamath County, Oregon, commonly known as 10610 Hill Road, Klamath Falls, Oregon:

See attached Exhibit "A"

No action is pending to recover any part of the debt secured by the trust deed, except as allowed by law.

The obligation secured by the trust deed is in default because the grantor has failed to pay the following: Failed to make the payment of principal and interest payable at maturity on January 1, 2001.

The sum owing on the obligation secured by the trust deed is: The sum of \$400,000 plus interest at 10.5% per annum from March 19, 2001, until paid, plus delinquent interest of \$35,481.75, plus trustee's fees, attorney's fees, foreclosure costs and any sums advanced by beneficiary pursuant to the terms of said trust deed.

Beneficiary has and does elect to sell the property to satisfy the obligation pursuant to ORS 86.705 to 86.795.

The property will be sold as provided by law on October 31, 2001, at 10:00 o'clock a.m. based on standard of time established by ORS 187.110 at the Offices of Brandsness, Brandsness & Rudd, P.C., 411 Pine Street, Klamath Falls, Oregon.

Interested persons are notified of the right under ORS 86.753 to have this proceeding dismissed and the trust deed reinstated by payment of the entire amount then due, other than such portion as would not then be due had no default occurred, together with costs, trustee's and attorney's fees, and by curing any other default complained of in this Notice, at any time prior to five days before the date last set for sale.

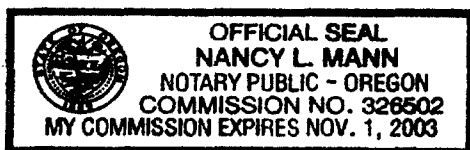
Dated: June 20, 2001.

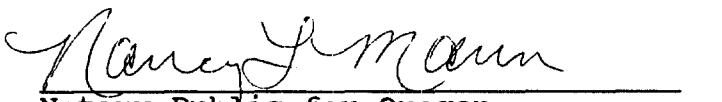

 Andrew C. Brandsness
 Attorney for Trustee
 411 Pine Street
 Klamath Falls, OR 97601

STATE OF OREGON)
) ss.
 County of Klamath)

June 20, 2001.

Personally appeared before me this above-named Andrew C. Brandsness and acknowledged the foregoing instrument to be his voluntary act and deed.




 Notary Public for Oregon
 My Commission expires: 11-1-01

Beginning at the Southeast corner of the Southeast quarter of the Southeast quarter (SE1/4 SE1/4) of Section 31, Township 39 South, Range 10, East of the Willamette Meridian, Klamath County, Oregon; running thence West on the South line of said Section 31 to West line of Government Lot 7 said Section 31; thence North with meander line on the East side of Lost River to a point on said meander line 7 chains and 68 links North of said Section line; thence in an easterly direction to the Northeast corner of the Southeast quarter of the Southeast 1/4 of said Section 31; thence South twenty chains to the place of beginning, being a portion of the S1/2 SE1/4 and Lot 7, Section 31, in Township 39 South, Range 10 East, of the Willamette Meridian. EXCEPTING THEREFROM such portions as have been heretofore deeded to the United States of America for canal rights of way. ALSO EXCEPTING that portion thereof deeded to Great Northern Railway Company for railroad rights of way by deed dated June 10, 1931, recorded June 13, 1931, in Volume 95 on page 454, Deed Records of Klamath County, Oregon.

That portion of the SW1/4 SW1/4 of Section 32, Township 39 South, Range 10, East of the Willamette Meridian, Westerly of the right of way of the "G" Canal.

NE1/4 NE1/4, Government Lots 7, 8 and 9, Section 6, Township 40 South, Range 10, East of the Willamette Meridian, Klamath County, Oregon, SAVING AND EXCEPTING those portions deeded to the United States of America for canal purposes and to Great Northern Railway Company for railroad rights of way.

ALSO SAVING AND EXCEPTING that portion of the NE1/4 NE1/4 of Section 6, Township 40 South, Range 10, East of the Willamette Meridian, Klamath County, Oregon, lying East of the "G" Canal.

AND EXCEPTING THEREFROM that portion of Government Lot 7 in said Section 6 conveyed to Edwa R. Stuedli and Pauline H. Stuedli as Trustees of the Black Oak Ranch Trust by Deed recorded April 6, 1998 in Volume M98 at Page 11176, described as follows:

The SW1/4 of the NE1/4 and the SE1/4 of the NW1/4 lying Easterly of Lost River (also known as a portion of Government Lot 7), in Section 6, Township 40 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

State of Oregon, County of Klamath

Recorded 06/20/01, at 3:15 p. m.

In Vol. M01 Page 29732

Linda Smith,

County Clerk Fee\$ 26⁰⁰