

AFTER RECORDING RETURN TO:

Linda Hopkins
Stoel Rives LLP
900 SW Fifth Avenue, Suite 2600
Portland, OR 97204-1268

mtc 53070

NOTICE OF DEFAULT AND ELECTION TO SELL

Reference is made to that certain trust deed made by AAA Discount Storage, LLC, an Oregon limited liability company, as grantor, to AmeriTitle, as trustee, in favor of Belgravia Capital Corporation, a California corporation, as beneficiary, dated July 31, 1997 and recorded July 31, 1997 in the mortgage records of Klamath County, Oregon, Volume M97, Page 24630, covering the following described real property situated in said county and state, to wit:

Parcel 1 and Parcel 2 of Land Partition 76-96, being Parcel 2 of Land Partition 11-95, situated in the SW 1/4 SE 1/4 and the NW 1/4 SE 1/4 of Section 1, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon.

The property has a street address of 6747 South 6th Street, Klamath Falls, Oregon 97603.

The undersigned hereby certifies that no assignments of the trust deed by the trustee or by the beneficiary and no appointments of a successor trustee have been made except as recorded in the mortgage records of the county or counties in which the above-described real property is situated; further, that no action has been instituted to recover the debt on the Note underlying the Trust Deed, or any part thereof, now remaining secured by the said trust deed, or, if such action has been instituted, such action has been dismissed except as permitted by ORS 86.735(4).

There is a default by the grantor or other person owing an obligation, the performance of which is secured by said trust deed, or by their successor in interest, with respect to provisions therein which authorize sale in the event of default of such provision; the default for which foreclosure is made are as follows: (a) The failure to maintain the property and operate the business thereon in conformance with the terms of the trust deed; (b) The failure to obtain the beneficiary's consent to encumbrances, including (i) that trust deed recorded March 15, 2000 in Volume M00, Page 8437, and (ii) that trust deed recorded September 15, 2000 in Volume M00, page 33984, both recorded in the Microfilm Records of Klamath County, Oregon; and (c) The failure to pay monthly installments in a timely manner for the months of October 2000 through July 2001 in the total sum of \$66,921.82, plus any interest and late charges accruing after July 11, 2001, attorneys' fees, collection costs, and any other sums as the beneficiary may have or will advance.

A.	Monthly Installments	
	4/11/01 through 7/11/01	\$33,567.84
B.	Default Interest 3/11/01 through 7/10/01	16,269.62
C.	Balance of Late Charges 10/11/00 - 7/11/01	5,386.56
D.	Escrow Fund 4/11/01 through 7/11/01	8,182.80
E.	Reserves for Repl/Leasing 4/11/01 through 7/11/01	<u>3,515.00</u>
	Total	\$66,921.82

By reason of said default, the beneficiary has declared all sums owing on the obligation secured by said trust deed immediately due and payable, said sums being the following, to wit: As of July 11, 2001, the principal sum is \$960,174.33, plus interest, late charges, and other amounts enumerated above prior to July 11, 2001, plus such other interest and charges that accrue after July 11, 2001, plus any yield maintenance or prepayment premium due under the terms of the Note and/or Trust Deed, plus any sum advanced by the beneficiary or the

beneficiary's successor in interest for the protection of the above-described real property, plus any attorneys' and trustee's fees incurred by reason of said default. Interest on the principal balance continues to accrue at the Note rate of **fourteen percent (14%)** per annum until the loan is paid in full.

NOTICE IS HEREBY GIVEN that the beneficiary and trustee, by reason of said default, have elected and do hereby elect to foreclose said trust deed by advertisement and sale pursuant to ORS 86.705 to 86.795 and to cause to be sold at public auction to the highest bidder for cash the interest in the said described property which the grantor had, or had the power to convey, at the time of the execution by the grantor of the trust deed, together with any interest the grantor or the grantor's successors in interest acquired after the execution of the trust deed, to satisfy the obligations secured by said trust deed and the expenses of the sale, including the compensation of the trustee as provided by law and the reasonable fees of trustee's attorneys.

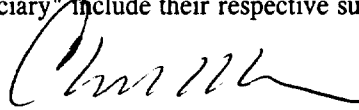
Said sale will be held at the hour of **11:45 a.m.**, in accord with the standard of time established by ORS 187.110, on **December 11, 2001** at the following place: **Front entrance of the Klamath County Courthouse, 316 Main Street, in the city of Klamath Falls, Oregon**, county of Klamath, state of Oregon, which is the hour, date, and place last set for said sale.

Other than as shown of record, neither the said beneficiary nor the said trustee has any actual notice of any person having or claiming to have any lien upon or interest in the real property hereinabove described subsequent to the interest of the trustee in the trust deed or of any successor in interest to the grantor or of any lessee or other person in possession of or occupying the property.

Notice is further given that any person named in ORS 86.753 has the right, at any time prior to five days before the date last set for the sale, to have the foreclosure proceeding dismissed and the trust deed reinstated by payment to the beneficiary of the entire amount then due (other than such portion of the principal as would not then be due had no default occurred) and by curing any other default that is capable of being cured by tendering the performance required under the obligation or trust deed, and, in addition to paying said sums or tendering the performance necessary to cure the default, by paying all costs and expenses actually incurred in enforcing the obligation and trust deed, together with trustee's and attorneys' fees, not exceeding the amounts provided by said ORS 86.753.

In construing this notice, the singular includes the plural, the word "grantor" includes any successor in interest to the grantor as well as any other person owing an obligation, the performance of which is secured by said trust deed, and the words "trustee" and "beneficiary" include their respective successors in interest, if any.

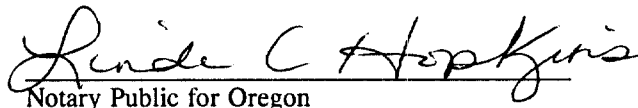
DATED: August 2, 2001.



Christine A. Kosydar
Successor Trustee

STATE OF OREGON)
)
County of Multnomah) ss.

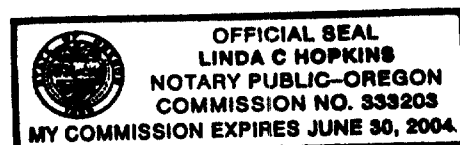
This instrument was acknowledged before me on this 2nd day of August, 2001, by Christine A. Kosydar.



Notary Public for Oregon

NOTICE OF DEFAULT AND ELECTION TO SELL

Re: Trust Deed from
AAA Discount Storage, LLC, Grantor, to
Christine A. Kosydar, Successor Trustee



PortInd1-2076521.1 004

State of Oregon, County of Klamath

Recorded 08/06/01 at 11:15 a. m.

In Vol. M01 Page 39341

Linda Smith,

County Clerk Fee\$ 26.00