

TRUSTEE'S NOTICE OF DEFAULT AND ELECTION TO SELL  
UNDER TERMS OF TRUST DEED

The Trustee under the terms of the Trust Deed described herein, at the direction of the Beneficiary, hereby elects to sell the property described in the Trust Deed to satisfy the obligations secured thereby. Pursuant to ORS 86.745, the following information is provided:

1. PARTIES:

Grantor: SHIRLEY G. McNEARY  
Trustee: WILLIAM SISEMORE  
Successor Trustee: MICHAEL C. AROLA  
Beneficiary: KLAMATH FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION

State of Oregon, County of Klamath  
Recorded 12/13/01 2:52 p.m.  
Vol M01, Pg 63785  
Linda Smith, County Clerk  
Fee \$ 21.00 # of Pgs 1

2. DESCRIPTION OF PROPERTY: The real property is described as follows:

All that portion of Block 26 of HILLSIDE ADDITION to the City of Klamath Falls, Oregon, lying South of the following described line: Commencing at the intersection of the centerlines of Shelley Street and Johnson Street; thence Southerly 952.78 feet, along the centerline of Johnson Street; thence Westerly 115.00 feet, at right angles to Johnson Street, to a  $\frac{1}{2}$ " rebar, said point being the True Point of Beginning; thence continuing on said line 105.30 feet to a  $\frac{1}{2}$ " rebar on the West line of Block 26.

3. RECORDING. The Trust Deed was recorded as follows:

Date Recorded: January 15, 1985  
Volume M85, Page 921  
Official Records of Klamath County, Oregon

4. DEFAULT. The Grantor or any other person obligated on the Trust Deed and Promissory Note secured thereby is in default and the Beneficiary seeks to foreclose the Trust Deed for failure to pay: Monthly payments in the amount of \$277.00 each, due the 10th of each month, for the months of July through December 2001; plus late charges and advances; plus any unpaid real property taxes or liens, plus interest.

5. AMOUNT DUE. The amount due on the Note which is secured by the Trust Deed referred to herein is: Principal balance in the amount of \$7,812.64 plus interest at the rate of 12.75% per annum from June 10, 2001; plus late charges of \$115.40.

6. ELECTION TO SELL. The Trustee hereby elects to sell the property to satisfy the obligations secured by the Trust Deed.

7. TIME OF SALE.

Date: April 25, 2002  
Time: 11:00 a.m. as established by ORS 187.110  
Place: Front of the Klamath County Courthouse, 316 Main Street, Klamath Falls, Oregon

8. RIGHT TO REINSTATE. Any person named in ORS 86.753 has the right, at any time prior to five days before the Trustee conducts the sale, to have this foreclosure 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, by curing any other default that is capable of being cured by tendering the performance required under the obligation or Trust Deed and by paying all costs and expenses actually incurred in enforcing the obligation and Trust Deed, together with the trustee's and attorney's fees not exceeding the amount provided in ORS 86.753.

DATED: December 12, 2001.

*Michael C. Arola*  
Michael C. Arola, Successor Trustee

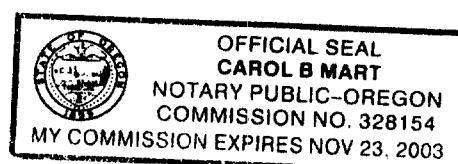
STATE OF OREGON )  
)  
COUNTY OF LANE )  
)

The foregoing instrument was acknowledged before me on December 12, 2001, by MICHAEL C. AROLA.

*Carol B. Mart*

Notary Public for Oregon  
My Commission Expires: 11-23-03

AFTER RECORDING RETURN TO:  
Hershner, Hunter, Andrews,  
Neill & Smith, LLP  
Attn: Carol B. Mart  
P.O. Box 1475  
Eugene, OR 97440



K21