

RETURN TO:  
Brandsness, Brandsness & Rudd, P.C.  
411 Pine Street  
Klamath Falls, OR 97601

Vol M02 Page 16040

State of Oregon, County of Klamath  
Recorded 03/19/2002 10:05 A m.  
Vol M02, Pg 16040-41  
Linda Smith, County Clerk  
Fee \$ 26.00 # of Pgs 2

'02 MAR 19 AM 11:05

mtc 55868  
**TRUSTEE'S NOTICE OF DEFAULT  
AND ELECTION TO SELL AND OF SALE**

Reference is made to a certain trust deed ("Trust Deed") made, as follows:

Douglas H. Staff and Renee' C. Godon-Staff, Grantor; William P. Brandsness, Trustee; and South Valley Bank & Trust, Beneficiary, recorded in Official/Microfilm Records, Volume M99, Page 48357, Klamath County, Oregon, covering the following-described real property in Klamath County, Oregon, commonly known as 11030 Highway 39, Klamath Falls, OR 97603 ("Property"):

Parcels 2 and 3 of Land Partition 27-99, being Parcels 1, 2, and 3 of Land Partition 51-97, situated in the N1/2 N1/2 NE1/4 of Section 1, Township 40 South, Range 9 East, Willamette Meridian, Klamath County, Oregon.

The defaults for which foreclosure is made is grantor's failure to pay when due the following sums:

Failed to make the monthly payment of \$3,998.00 due July 1, 2001, and monthly payments thereafter; failed to pay Klamath County Real Property Taxes for the years 2000-2001 and 2001-2002.

By reason of said defaults, the beneficiary has declared all sums owing on the obligations secured by said Trust Deed immediately due and payable, said sums being the following, to-wit:

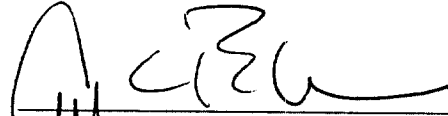
The principal sum of \$376,778.39, interest of \$24,206.72 and late charges of \$160, plus additional interest at the per diem rate of \$90.32 from February 28, 2002; Klamath County Real Property taxes in the total amount of \$4,105.88, plus interest, plus trustee's fees, attorney's fees, foreclosure costs and any sums advanced by beneficiary pursuant to the terms of said trust deed.

WHEREFORE, notice hereby is given that the undersigned trustee will, on July 30, 2002, at the hour of 10:00 o'clock a.m. o'clock a.m., in accord with the standard of time established by ORS 187.110, at the following place: Office of Brandsness, Brandsness & Rudd, P.C., 411 Pine Street, Klamath Falls, Oregon, sell at public auction to the highest bidder for cash the interest in the above-described Property, which the grantor had or had power to convey at the time of the execution by grantor of the said Trust Deed, together with any interest which the grantor or grantor's successors in interest acquired after the execution of the Trust Deed, to satisfy the obligations thereby secured and the costs and expenses of sale, including a reasonable charge b the trustee. 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 this 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 complained of herein that is capable of being cured by tendering the performance required under the obligation or Trust Deed, and in addition to paying said sum 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 attorney's fees not exceeding the amounts provided by said ORS 86.753.

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

Dated: March 18, 2002.

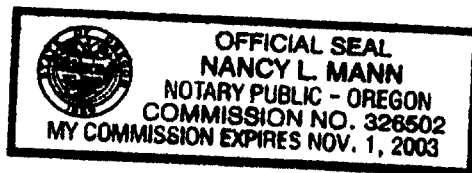


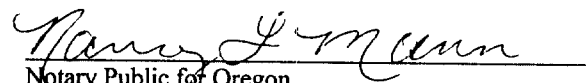
Andrew C. Brandsness, Trustee  
411 Pine Street  
Klamath Falls, OR 97601

STATE OF OREGON                     )  
  ) ss.  
County of Klamath                     )

March 18, 2002.

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: 11-1-03