

AFTER RECORDING RETURN TO:

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

State of Oregon, County of Klamath  
Recorded 03/22/2002 1:11 p.m.  
Vol M02, Pg 16890 - 16892  
Linda Smith, County Clerk  
Fee \$ 31.00 # of Pgs 3

*K58469*

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

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

A. TRUST DEED ONE:

1. PARTIES:

Grantor: KENNETH J. SULLIVAN and JANET L. SULLIVAN  
Trustee: WILLIAM L. SISEMORE  
Successor Trustee: MICHAEL C. AROLA  
Beneficiary: KLAMATH FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION

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

Date Recorded: April 29, 1994  
Volume M94, Page 13490  
Official Records of Klamath County, Oregon

3. 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: A monthly payment in the amount of \$456.00 due December 10, 2001, plus monthly payments in the amount of \$422.00 each, due the 10th of each month, for the months of January through March 2002; plus late charges and advances; plus any unpaid real property taxes or liens, plus interest.

4. 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 \$26,078.61 plus interest at the rate of 7% per annum from November 10, 2001; plus late charges of \$78.80.

B. TRUST DEED TWO:

1. PARTIES:

Grantor: KENNETH J. SULLIVAN and JANET L. SULLIVAN  
Trustee: WILLIAM L. SISEMORE  
Successor Trustee: MICHAEL C. AROLA  
Beneficiary: KLAMATH FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION

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

Date Recorded: July 27, 2000  
Volume M00, Page 403  
Official Records of Klamath County, Oregon

3. 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 \$148.05 each, due the

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

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first of each month, for the months December 2001 through March 2002; plus late charges and advances; plus any unpaid real property taxes or liens, plus interest.

4. 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 \$13,896.82 plus interest at the rate of 6.875% per annum from November 10, 2001; plus late charges of \$29.60.

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

As described on the attached Exhibit A.

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

E. TIME OF SALE.

Date: August 1, 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

F. 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 Deeds 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 Deeds and by paying all costs and expenses actually incurred in enforcing the obligation and Trust Deeds, together with the trustee's and attorney's fees not exceeding the amount provided in ORS 86.753.

DATED: March 21, 2002.

STATE OF OREGON           )  
  ) ss.  
COUNTY OF LANE        )

*Michael C. Arola*

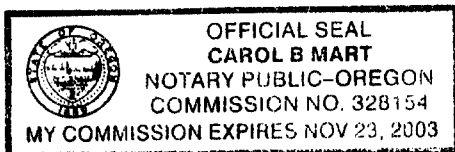
Michael C. Arola, Successor Trustee

The foregoing instrument was acknowledged before me on March 21, 2002, by MICHAEL C. AROLA.

*Carol B. Mart*

Notary Public for Oregon

My Commission Expires: 11-23-03



Lots 24 and 25 of Block 6, PLEASANT VIEW TRACTS, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

EXCEPTING THEREFROM the South 70 feet thereof AND the following described parcel:

Beginning at the Northwest corner of Lot 24, Block 6 of PLEASANT VIEW TRACTS, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon; thence Southerly along the West line of said Lot 24 a distance of 150.36 feet to the Northwest corner of that certain tract of land described in Deed Volume 168 at page 112, Deed records of Klamath County, Oregon; thence Easterly along the Northerly line of said tracts a distance of 90 feet to a point; thence Northerly parallel to the West line of said Lot 24 a distance of 150.36 feet to the Northerly line of said Lot 24; thence Westerly along the Northerly line of Lot 24 a distance of 90 feet to the point of beginning.

EXCEPTING THEREFROM THE West 5 feet thereof for widening of Gary Street by instrument recorded June 25, 1965 in Volume 362 page 460, Klamath County, Oregon Deed Records.

EXHIBIT A