

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 04/23/2002 2:55 p m.  
 Vol M02, Pg 24005-07  
 Linda Smith, County Clerk  
 Fee \$ 3100 # of Pgs 3

02 APR 25 14:55

*K58604*

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: BEKCO, INC.  
 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: March 23, 1999  
 Volume M99, Page 10343  
 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 \$3,577.84 due December 1, 2001, plus monthly payments in the amount of \$3,766.14 each, due the first of each month, for the months of January through April, 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 \$419,763.08 plus interest at the rate of 8.25% per annum from January 1, 2002; plus late charges of \$932.13; plus advances and foreclosure attorney fees and costs.

B. TRUST DEED TWO:

1. PARTIES:

Grantor: BEKCO, INC.  
 Trustee: PACIFIC CASCADES FINANCIAL, INC.  
 Successor Trustee: MICHAEL C. AROLA  
 Beneficiary: KLAMATH FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION

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

Date Recorded: February 21, 2001  
 Volume M01, Page 7202  
 Official Records of Klamath County, Oregon

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

*K31*

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 \$1,652.55 due December 1, 2001, plus monthly payments in the amount of \$1,730.40 each, due the first of each month, for the months of January through April, 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 \$73,127.34 plus interest at the rate of 18% per annum from January 1, 2002; plus late charges of \$427.86; plus advances and foreclosure attorney fees and costs.

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: September 5, 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

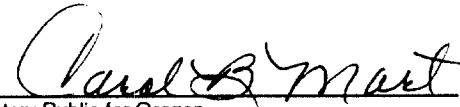
F. **RIGHT TO REINSTATE.** Any person named in ORS 86.753 has the right, at any time prior to five days before the Trustee conducts the sale, to have this foreclosure dismissed and the Trust Deeds reinstated by payment to the Beneficiary of the entire amount then due, other than such portion of the principal 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.

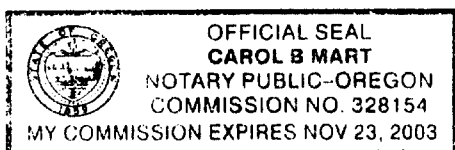
DATED: April 22, 2002.

  
Michael C. Arola, Successor Trustee

STATE OF OREGON           )  
  ) ss.  
COUNTY OF LANE        )

The foregoing instrument was acknowledged before me on April 22, 2002, by MICHAEL C. AROLA.

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



**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

The following described real property situate in Klamath County, Oregon:

A tract of land situated in Government Lots 6 and 7 in Section 33, Township 38 South, Range 9, East of the Willamette Meridian, Klamath County, Oregon, and being a portion of that certain tract described in deed from Weyerhaeuser Company to Juckeland Motors, Inc., recorded in Volume M65, page 110, Microfilm Records of Klamath County, Oregon, and being more particularly described as follows:

Beginning at the 1 1/2 inch iron pipe marking the intersection of the Southwesterly line of South Sixth Street with the Westerly line of the Southern Pacific Railroad right of way, said iron pipe being the Northeasterly corner of lands conveyed by Ewauna Box Company to Weyerhaeuser Timber Company by Deed Volume 227, page 47, Records of Klamath County, Oregon, all as shown on Map of Record Survey No. 621; thence North 55 degrees 22' West along the Southwesterly line of South Sixth Street, a distance of 250.0 feet to a 1 1/2 inch iron pipe; thence South 34 degrees 38' West a distance of 329.0 feet, more or less, to the most Southerly corner of tract conveyed by Weyerhaeuser Timber Company to State of Oregon by Deed Volume 281 page 268, Records of Klamath County, Oregon, said point also being the Northeasterly corner of said Juckeland Tract as described in Volume M65, page 110, Microfilm Records of Klamath County, Oregon, and the TRUE POINT OF BEGINNING of this description; thence North 55 degrees 46' 30" West a distance of 350.0 feet, more or less, to the most Northerly corner of said Juckeland Tract; thence South 34 degrees 38' West, along the Northwestern line of said Juckeland Tract a distance of 470.73 feet to a 5/8 inch iron pin, said point being North 34 degrees 38' East a distance of 146.33 feet, from the Northeasterly right of way of the O. C. & E. Railroad; thence South 55 degrees 22' East a distance of 347.42 feet, more or less, to a 5/8 inch iron pin on the Southeasterly line of said Juckeland Tract; thence North 34 degrees 38' East along said Southeasterly line, a distance of 469.9 feet, more or less, to the point of beginning.

EXCEPTING THEREFROM the Southeasterly 60 feet of even width, measured at right angles from the Southeasterly line of above described tract.