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

Vol M02 Page 30346

**K58753**

**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: RALPH W. ALMETER, JR. and CAROLINE R. ALMETER  
Trustee: WILLIAM L. SISEMORE  
Successor Trustee: MICHAEL C. AROLA  
Beneficiary: KLAMATH FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION

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

As described on the attached Exhibit A.

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

Date Recorded: December 11, 1986  
Volume M-86, Page 22849  
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 \$350.00 each, due the 20th of each month, for the months of February through May 2002; plus late charges and advances; plus any unpaid real property taxes or liens, plus interest; and for voluntary conveyance of the real property without the prior written consent of the Beneficiary.

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 \$19,221.17 plus interest at the rate of 9.75% per annum from January 20, 2002; plus late charges of \$33.90; plus advances in the amount of \$255.17; plus advances and foreclosure attorney fees and costs.

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: October 3, 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

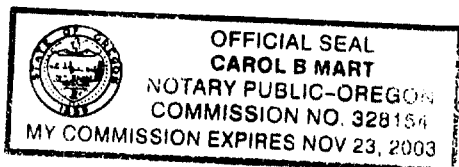
8. RIGHT TO REINSTATE. Any person named in ORS 86.753 has the right, at any time prior to five days before the Trustee conducts the sale, to have this foreclosure dismissed and the Trust Deed reinstated by curing the default, if it can be cured, and by paying all costs and expenses actually incurred in enforcing the obligation and Trust Deed, together with trustee's and attorney's fees not exceeding the amounts provided in ORS 86.753.

DATED: May 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 May 21, 2002, by MICHAEL C. AROLA.



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

State of Oregon, County of Klamath  
Recorded 05/22/2002 1:29 p.m.  
Vol M02, Pg 30346-47  
Linda Smith, County Clerk  
Fee \$ 26.00 # of Pgs 2

K26

Lot 3, Block 66, LAKEVIEW ADDITION TO THE CITY OF KLAMATH FALLS, ALSO that portion of Harriman Street, vacated by Ordinance No. 5830 filed September 24, 1971 in Book M71 at page 10129, in the County of Klamath, State of Oregon, and being more particularly described as follows:

Beginning at the Southeast corner of Lot 3, Block 66, LAKEVIEW ADDITION TO THE CITY OF KLAMATH FALLS, and running North on the East line of said Lot 3 a distance of 73 feet to the Northeast corner of said Lot 3; thence East on the North line of Lot 3 extended, a distance of 40 feet; thence South, parallel to the East line of said Lot 3, a distance of 73 feet; thence West a distance of 40 feet to the point of beginning.

EXHIBIT A