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AFFIDAVIT OF MAILING TRUSTEE'S NOTICE OF SALE

STATE OF OREGON)
) ss.
County of Multnomah)

State of Oregon, County of Klamath
Recorded 11/18/2002 3:06 p. m.
Vol M02, Pg 66774-80
Linda Smith, County Clerk
Fee \$ 51.00 # of Pgs 7

K-59428
I, WENDELL KUSNERUS, being first duly sworn, depose, say, and certify
that:

At all times hereinafter mentioned, I was and now am a resident of the state of Oregon, a competent person over the age of 21 years, and not the Beneficiary, or its successor in interest, named in the attached original Notice of Sale given under the terms of a Trust Deed made, executed, and delivered by "John C. Lucas and Kathleen A. Lucas, not personally but as Trustees on behalf of John C. and Kathleen A. Lucas Revocable Living Trust under the provisions of a Trust Agreement dated August 1, 1991," as Grantors, to U.S. Bank Trust Company, National Association, as Trustee, to secure certain obligations in favor of U.S. Bank, as Beneficiary, dated July 29, 1997, and recorded July 30, 1997, in Volume M97, Page 24297 of the records of Klamath County, Oregon.

I gave notice of the sale of the real property described in the attached Notice of Sale, by mailing a copy thereof by both first class mail and certified mail, to the following-named persons at their last know address, to-wit:

Kathleen A. Lucas
c/o The John C. and Kathleen A. Lucas
Revocable Living Trust
John C. Lucas and Kathleen A. Lucas, Trustees
PO Box 2910
White City, OR 97503

KeyBank National Association
OR-Central Point
510 East Pine Street
Central Point OR 97502

John C. Lucas
c/o The John C. and Kathleen A. Lucas
Revocable Living Trust
John C. Lucas and Kathleen A. Lucas, Trustees
PO Box 2910
White City, OR 97503

KeyBank National Association
Mail Code: ID-56-PC-0125
431 Parkcenter Boulevard
PO Box 5278
Boise ID 83705

Said persons include (a) the Grantor(s) in the Trust Deed, (b) any successor in interest to the Grantor(s) whose interest appears of record or of whose interest the Trustee or the Beneficiary has actual notice, (c) any person, including the Department of Revenue or any other state agency, having a lien or interest subsequent to the Trust Deed, if the lien or interest appears of record or the Beneficiary has actual

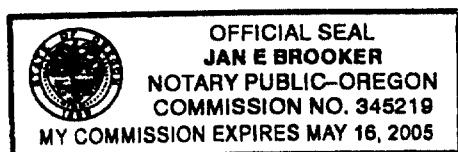
notice of the lien or interest, and (d) any person requesting notice, as required by ORS 86.785.


Each of the notices so mailed was certified to be a true copy of the original Notice of Sale by Wendell Kusnerus, the Trustee named in said Notice; each copy was deposited by me in the United States Post Office at Portland, Oregon, on the 25th day of October, 2002. With respect to each person listed above: (1) such notice was mailed with postage thereon sufficient for first class delivery to the address indicated, and (2) another such notice was mailed with a proper form to request and obtain a return receipt and postage thereon in the amount sufficient to accomplish the same. Each of said notices was mailed after the Notice of Default and Election to Sell described in said Notice of Sale was recorded.

As used herein, the singular includes the plural, trustee includes successor trustee, and person includes corporation and any other legal or commercial entity.


Wendell Kusnerus

SUBSCRIBED and sworn to before me this 14th day of November, 2002




Notary Public for Oregon
My Commission expires: 5/16/05

TRUSTEE'S NOTICE OF SALE

Reference is made to a Line of Credit Deed of Trust (the "Trust Deed") made, executed, and delivered by "John C. Lucas and Kathleen A. Lucas, not personally but as Trustees on behalf of John C. and Kathleen A. Lucas Revocable Living Trust under the provisions of a Trust Agreement dated August 1, 1991," as Grantors, to U.S. Bank Trust Company, National Association, as Trustee, to secure certain obligations in favor of U.S. Bank, as Beneficiary, dated July 29, 1997, and recorded July 30, 1997, in Volume M97, Page 24297 of the records of Klamath County, Oregon, covering the following described real property (the "Property") situated in such county and state:

See attached Exhibit A

Wendell Kusnerus was appointed Successor Trustee by a certain instrument dated October 18, 2002, and recorded October 21, 2002, as recorder's Fee No. 59981-85, of the records of Klamath County, Oregon, and is now vested with all the powers of said former Trustee.

Beneficiary has elected to sell the Property to satisfy the obligations secured by the Trust Deed and to foreclose the Trust Deed by advertisement and sale. The default for which the foreclosure is made is the failure of Grantors to pay when due the following sums:

a. The failure of the Borrower to pay when due 15 monthly payments of \$4,383.28 each, due on August 1, 2001, and on the first day of each month thereafter, through and including October 1, 2002. As of October 20, 2002, the total amount of monthly payments in default was \$65,749.20.

b. The failure of the Borrower to pay late charges in the total amount of \$3,287.45, as of October 20, 2002.

c. The failure of the Grantors to pay delinquent property taxes on the Property, in the principal amount of \$8,136.73, plus interest thereon.

By reason of said default, Beneficiary has declared the entire unpaid balance of all obligations secured by the Trust Deed, together with the interest thereon, immediately due and payable, as follows:

Principal	\$319,805.38
Interest (as of October 17, 2002)	36,672.56
Late fees	3,287.45
Appraisal, trustee's sale guarantee, and other costs	<u>4,702.07</u>
Total	\$364,467.46

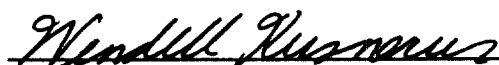
This sum shall increase by interest on the principal amount of \$319,805.38 at the rate of 11.53 percent per annum from October 18, 2002, until paid, plus additional costs incurred after October 17, 2002, plus attorney and trustee fees.

The Beneficiary and the Successor Trustee have elected to sell the property to satisfy the obligation secured. A notice of default and election to sell and to foreclose was duly recorded on October 21, 2002, as 59981-85 of the Klamath County records, reference thereto hereby being expressly made.

WHEREFORE, NOTICE HEREBY IS GIVEN that the undersigned Trustee or Trustee's attorney will, on March 20, 2003, at the hour of 1:00 P.M. Standard Time as established by ORS 187.110, at the front steps of the Klamath County Courthouse, 316 Main Street, in the City of Klamath Falls, County of Klamath, and State of Oregon, sell at public auction to the highest bidder for cash, the interest in the Property that Grantors had or had power to convey at the time of the execution by Grantors of the Trust Deed, together with any interest that Grantors or the successors in interest to Grantors acquired after the execution of the Trust Deed, to satisfy the foregoing obligations thereby secured and the costs and expenses of sale, including the cost of a title search, a reasonable charge by Trustee, and a reasonable attorneys' fee for Trustee's attorneys. Notice is further given that Grantors, or any person named in ORS 86.753, has the right, at any time prior to five days before the Trustee's sale, to require that the foreclosure proceeding be dismissed and the Trust Deed reinstated by the payment of the entire amount due (other than such portion of the principal as would not be due had no default occurred) under the terms of the Trust Deed and the obligations secured thereby, including all costs and expenses actually incurred and Trustee's and attorneys' fees as provided by ORS 86.753.

In construing this notice, the word "Grantor" includes any successor in interest of Grantors, as well as any other person owing an obligation the performance of which is secured by the Trust Deed and their successors in interest; the word "Trustee" includes any successor trustee; and the word "Beneficiary" includes any successor in interest of Beneficiary named in the Trust Deed.

Dated at Portland, Oregon, October 25, 2002.



Wendell Kusnerus, Trustee
Davis Wright Tremaine LLP
1300 SW Fifth Avenue, Suite 2300
Portland, OR 97201
503-276-5698

STATE OF OREGON)
) ss.
County of Multnomah)

I, the undersigned, certify that I am the attorney or one of the attorneys for the above-named Trustee and that the foregoing is a complete and exact copy of the original Trustee's Notice of Sale.

Attorney for Trustee

DESCRIPTION OF PROPERTY

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

PARCEL 1:

Beginning at an iron pin on the Southerly right of way line of the Weed-Klamath Falls Highway, which lies North $0^{\circ}43'$ West along the West section line a distance of 629 feet and North $44^{\circ}50\frac{1}{2}'$ East along the said Southerly right of way line a distance of 438 feet and North $45^{\circ}09\frac{1}{2}'$ West a distance of 20 feet and North $44^{\circ}50\frac{1}{2}'$ East a distance of 50 feet from the iron pin which marks the quarter corner common to Sections 7 and 8, Township 39 South, Range 9 East of the Willamette Meridian, and running thence: Continuing North $44^{\circ}50\frac{1}{2}'$ East along said Highway line a distance of 160.5 feet to an iron pin which marks the point of curvature of a $2^{\circ}57'$ curve to the left; thence following the arc of a $2^{\circ}57'$ curve to the left a distance of 39.5 feet to an iron pin (the long chord of this curve bears North $44^{\circ}15\frac{1}{2}'$ East a distance of 39.5 feet); thence South $46^{\circ}19\frac{1}{2}'$ East along a radial line a distance of 320 feet to an iron pin; thence following the arc of a $2^{\circ}32'$ curve to the right (the long chord of this curve bears South $44^{\circ}15\frac{1}{2}'$ West a distance of 45.95 feet) a distance of 45.95 feet to an iron pin; thence South $44^{\circ}50\frac{1}{2}'$ West tangent to the curve a distance of $60\frac{1}{2}'$ feet to an iron pin; thence South $44^{\circ}50\frac{1}{2}'$ West a distance of $60\frac{1}{2}'$ feet to an iron pin; thence South $44^{\circ}50\frac{1}{2}'$ West a distance of 100 feet to a point; thence North $45^{\circ}09\frac{1}{2}'$ West a distance of 320 feet, more or less, to the point of beginning; said tract being in the W $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 8, Township 39 South, Range 9 East of the Willamette Meridian.

AND ALSO beginning at an iron pin which lies North $0^{\circ}43'$ West along the West Section line a distance of 629 feet and North $44^{\circ}50\frac{1}{2}'$ East along the Southerly right of way line of the Weed-Klamath Falls Highway a distance of 438 feet and North $45^{\circ}09\frac{1}{2}'$ West along the right of way line a distance of 20 feet and North $44^{\circ}50\frac{1}{2}'$ East along the right of way line a distance of 210.5 feet and thence South $45^{\circ}09\frac{1}{2}'$ East a distance of 320 feet from the iron pin which marks the quarter corner common to Sections 7 and 8, Township 39 South, Range 9 East of the Willamette Meridian, and running thence; continuing South $45^{\circ}09\frac{1}{2}'$ East 300 feet to a point; thence South $44^{\circ}50\frac{1}{2}'$ West 160.5 feet to a point; thence North $45^{\circ}09\frac{1}{2}'$ West 300 feet to a point; thence North $44^{\circ}50\frac{1}{2}'$ East 160.5 feet to the point of beginning.

SAVING AND EXCEPTING that portion deeded to Klamath County, a political subdivision, by Deed dated September 11, 1984, recorded February 22, 1985, in Volume M85 page 2704, Deed Records of Klamath County, Oregon.

EXHIBIT

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PARCEL 2:

Beginning at an iron pin on the Southerly right of way of the Weed-Klamath Falls Highway which lies N. $0^{\circ}43'$ W. along the West section line a distance of 629 feet and N. $44^{\circ}50\frac{1}{2}'$ E. along the said Southerly right of way line a distance of 438 feet and N. $45^{\circ}09\frac{1}{2}'$ W. a distance of 20 feet and N. $44^{\circ}50\frac{1}{2}'$ E. a distance of 210.5 feet and thence along the arc of a $2^{\circ}57'$ curve to the left a distance of 39.5 feet (the long chord of this curve bears N. $44^{\circ}15\frac{1}{2}'$ E. a distance of 39.5 feet) from the iron pin which marks the quarter corner common to Sections 7 and 8, T. 39 S., R. 9 E.W.M. and running thence: continuing along the arc of a $2^{\circ}57'$ curve to the left (and along the Southerly right of way line of the Weed-Klamath Falls Highway) a distance of 169.3 feet to an iron pin which marks the point of tangent (the long chord of this curve bears N. $41^{\circ}10\frac{1}{2}'$ E. a distance of 169.25 feet); thence S. $51^{\circ}19\frac{1}{2}'$ E. a distance of 320 feet to an iron pin; thence following the arc of a $2^{\circ}32'$ curve to the right (the long chord of this curve bears S. $41^{\circ}10\frac{1}{2}'$ W. a distance of 197.16 feet) a distance of 197.25 feet to an iron pin; thence N. $46^{\circ}19\frac{1}{2}'$ W. along a radial line a distance of 320 feet more or less to the point of beginning, said tract being in the $W\frac{1}{4}NW\frac{1}{4}$ of Section 8, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon.

EXHIBIT

A

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