

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

Vol M03 Page 10033

107898
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:	WILLIAM L. RUDESILL
Trustee:	WILLIAM L. SISEMORE
Successor Trustee:	NANCY K. CARY
Beneficiary:	KLAMATH FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION

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

Date Recorded: March 24, 1989
 Volume M89-4971
 Official Records of Klamath County, Oregon

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

Lot 46, Block 1, FIRST ADDITION TO HARBOR ISLES - TRACT 1252, according to the official plat thereof on file in the office of the County Clerk, Klamath County, Oregon.

B. TRUST DEED TWO:

1. PARTIES:

Grantor:	WILLIAM L. RUDESILL
Trustee:	WILLIAM L. SISEMORE
Successor Trustee:	NANCY K. CARY
Beneficiary:	KLAMATH FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION

State of Oregon, County of Klamath
 Recorded 02/19/2003 3:01 P. m.
 Vol M03 Pg 10033-34
 Linda Smith, County Clerk
 Fee \$ 26.00 # of Pgs 2

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

Date: July 7, 1992
 Volume M92, Page 14746
 Klamath County Oregon Records

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

PARCEL 1: Lot 45 in Block 1 of FIRST ADDITION TO HARBOR ISLES, TRACT NO. 1252, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon;

PARCEL 2: Lot 46 in Block 1 of FIRST ADDITION TO HARBOR ISLES, TRACT NO. 1252, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon;

C. DEFAULT. The Grantor or any other person obligated on Trust Deeds One and Two and the Promissory Notes secured thereby is in default and the Beneficiary seeks to foreclose the Trust Deeds for failure to pay: Monthly payments in the amount of \$835.00 each, due the 10th of each month, for the months of November 2002 through February 2003; plus late charges and advances; plus any unpaid real property taxes or liens, plus interest.

D. AMOUNT DUE. The amount due on the Notes which are secured by Trust Deeds One and Two referred to herein is: Principal balance in the amount of \$63,961.95 plus interest at an adjustable rate pursuant to the terms of the Promissory Notes from October 10, 2002; plus late charges of \$79.26; plus advances in the amount of 299.41; plus advances and foreclosure attorney fees and costs.

E. TRUST DEED THREE:

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1. Parties:

Grantor: WILLIAM L. RUDESILL
Trustee: WILLIAM L. SISEMORE
Successor Trustee: NANCY K. CARY
Beneficiary: KLAMATH FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION

2. Recording: Trust Deed Three was recorded as follows:

Date: December 9, 1992
Volume M92, Page 29161
Klamath County Oregon Records

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

PARCEL 1:

Lot 47 in Block 1 of FIRST ADDITION TO HARBOR ISLES, TRACT NO. 1252, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon;

Parcel 2:

Lots 46 and 46 in Block 1 of FIRST ADDITION TO HARBOR ISLES, TRACT NO. 1252, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon;

F. DEFAULT. The Grantor or any other person obligated on Trust Deed Three and the 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 \$180.94 each, due the 10th of each month, for the months of November 2002 through February 2003; plus late charges and advances; plus any unpaid real property taxes or liens, plus interest.

G. AMOUNT DUE. The amount due on the Note which are secured by Trust Deed Three referred to herein is: Principal balance in the amount of \$21,941.32 plus interest at an adjustable rate pursuant to the terms of the Promissory Note from October 10, 2002; plus late charges of \$26.15; plus advances and foreclosure attorney fees and costs.

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

I. TIME OF SALE.

Date: July 3, 2003
Time: 11:00 a.m. as established by ORS 187.110
Place: Front of the Klamath County Courthouse, 316 Main Street, Klamath Falls, Oregon

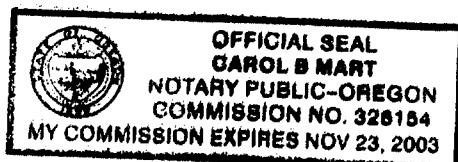
J. RIGHT TO REINSTATE. Any person named in ORS 86.753 has the right, at any time prior to five days before the Trustee conducts the sale, to have this foreclosure dismissed and the Trust Deeds reinstated by payment to the Beneficiary of the entire amount then due, other than such portion of the principal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

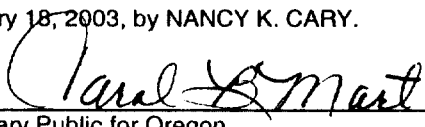
DATED: February 18, 2003.

STATE OF OREGON)
) ss.
COUNTY OF LANE)


Nancy K. Cary, Successor Trustee

The foregoing instrument was acknowledged before me on February 18, 2003, by NANCY K. CARY.




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