

After recording, please return to the offices of Ferris and Hunter Attorneys, 1175 E Main Street Suite 2E, Medford, Oregon, 97504. *ARC #04046326*

TRUSTEE'S NOTICE OF DEFAULT AND ELECTION TO SELL

Reference is made to that certain trust deed made by AUBREY DALE HARRIS and GINGER LEE HARRIS and VERNON D. LOWTHER and PAMELA LOWTHER as Grantor, to ASPEN TITLE AND ESCROW, INC., as Trustee, in favor of RON H. MILLER and JACKIE L. MILLER, Trustees of the Miller Family Trust, as beneficiary, dated December 13, 1995, recorded March 18 1996, in Book M-96, Page 7267 of the Official Records of Klamath County, Oregon, covering the following described real property situated in said county and state, to-wit:

Lots 17 through 24, Block 29, SECOND ADDITION TO KLAMATH FALLS, in the County of Klamath, State of Oregon.

Robert G. Hunter has been appointed successor trustee.

The undersigned hereby certifies that the Beneficiary's interest in said property is subject to said trust deed, including the terms and provisions thereof, given by Aubrey Dale Harris, Ginger Lee Harris, Vernon D. Lowther and Pamela Lowther, to secure payment of a note in the amount of \$87,750.00, with interest thereon; further, that no assignments of the trust deed by the Trustee or by the Beneficiary, and no appointments of a successor trustee have been made except as stated above and as recorded in the Official Records of the county or counties in which the above-described real property is situated, and that the Beneficiary is the owner and holder of the obligations, the performance of which is secured by said trust deed; further, that no action, suit, or proceeding has been instituted to recover the debts, or any part thereof, now remaining secured by the said trust deed, or, if such suit, action, or proceeding has been instituted, such action or proceeding has been dismissed.

There is a default on the said Trust Deed by the Grantor owing the obligation, the performance of which is secured by the Trust Deed with respect to provisions therein which authorize sale in the event of a default of such provision, in that the Grantor has failed to pay when due the full amount of the monthly installments of interest only that became due on December 15, 1996 and February 15, March 15, April 15, and May 15, 1997 leaving the sum of \$3,191.00 in delinquent interest as of May 15, 1997. Additional interest only payments of \$1,170.00 per month continue to become due on the 15th day of each month from and including June 15, 1997. In addition, Grantor has failed to pay the 1996-97 real property taxes in the amount of \$1,433.62 including interest through June 15, 1997. Late charges continue to accrue on each unpaid installment at the rate of 5% of each delinquent payment. There are current late charges owed and delinquent in the amount of \$276.55. By reason of said defaults, there is now immediately due, owing, and payable to the Beneficiary of the Trust Deed hereunder the sums of \$87,750.00 principal plus interest thereon at the rate of 16% per annum from February 23, 1997 until paid plus late charges of \$276.55. Any sums Beneficiary hereunder is required to pay because of Grantor's failure to pay real property taxes shall be added to and become a part of the balance due and owing on this Trust Deed and shall accrue interest at the rate of 16% per annum from the date incurred until paid.

Notice hereby is given that the undersigned, by reason of said default, has elected and he hereby does elect to foreclose said Trust Deed by advertisement and sale pursuant to Oregon Revised Statutes, Sections 86.705 through 86.795, and cause to be sold at public auction to the highest bidder for cash the interest in the said described property

-1- TRUSTEE'S NOTICE OF DEFAULT AND ELECTION TO SELL

which the Grantors had or had the power to convey at the time of the execution by him of the Trust Deed, together with any interest the Grantors or their successors in interest acquired after the execution of the trust deed, to satisfy the obligations secured by said Trust Deed and the expenses of the sale, including a reasonable charge by the trustee as provided by law, and the reasonable fees of trustee's attorneys.

Said sale will be held at the hour of 2:00 o'clock p.m., Standard Time, as established by Section 187.110 of the Oregon Revised Statutes, on October 24, 1997 at the following place: The front entrance of the Klamath County Courthouse, 317 South Seventh Street, Klamath Falls, Oregon, which is the hour, date, and place fixed by the trustee for said sale.

Other than as shown of record, neither the said beneficiary nor the said trustee has any actual notice of any person having or claiming to have any lien upon or interest in the real property hereinabove described subsequent to the interest of the trustee in the trust deed or of any successor in interest to the Grantors, or any lessee or other person in possession of or occupying the property.

Notice is further given that any person named in Section 86.753 of Oregon Revised Statutes has the right to have the foreclosure proceeding dismissed and the trust deed reinstated by payment of the entire amount due (other than such portion of said principal as would not then be due had no default occurred), together with costs, trustee's and attorney's fees, at any time prior to five days before the date set for said sale.

In construing this notice and whenever the context hereof so requires, the masculine gender includes the feminine and the neuter; the singular includes the plural; the word "grantor" includes any successor in interest to the Grantor as well as each and all other persons owing an obligation, the performance of which is secured by said trust deed; the word "trustee" includes any successor trustee; and the word "beneficiary" includes any successor in interest of the beneficiary first named above.

DATED this 6th day of June, 1997.

Robert G. Hunter
ROBERT G. HUNTER, Successor Trustee

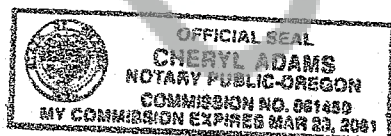
STATE OF OREGON)

County of Jackson)

ss.

June 6th, 1997

Personally appeared ROBERT G. HUNTER and acknowledged the foregoing to be his voluntary act and deed. Before me:



Cheryl Adams
Notary Public for Oregon

My Commission Expires: 3-23-97

-2- TRUSTEE'S NOTICE OF DEFAULT AND ELECTION TO SELL

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Aspen Title & Escrow the 9th day of June A.D., 19 97 at 10:42 o'clock A. M., and duly recorded in Vol. M97 of Mortgages on Page 17538.

FEE \$15.00

By Bernetha G. Letsch, County Clerk
Kathleen Rose