

NOTICE OF DEFAULT AND ELECTION TO SELL

RE: Trust Deed from Western Homes, Inc., an Oregon Corporation, Grantor
TO Paul G. Adams and Barton K. Adams, as Tenants in Common, Beneficiary

AFTER RECORDING RETURN TO:

OC
Scott D. MacArthur, P.C.
280 Main Street
Klamath Falls, OR 97601

NOTICE OF DEFAULT AND ELECTION TO SELL

KNOW ALL MEN BY THESE PRESENTS, that WESTERN HOMES, INC., AN OREGON CORPORATION, is the grantor, and AMERITITLE, INC., is the trustee, and PAUL G. ADAMS and BARTON K. ADAMS, AS TENANTS IN COMMON, is the beneficiary under that certain trust deed dated September 15, 1997, and recorded on September 24, 1997, in book/reel/volume No. M97 at page 31258 of the Mortgage Records of Klamath County, Oregon.

See Exhibit "A" attached

The undersigned hereby certifies 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 recorded in the mortgage records of the county or counties in which the above described real property is situate; further, that no action has been instituted to recover the debt, or any part thereof, now remaining secured by the said trust deed, or, if such action has been instituted, such action has been dismissed.

There is a default by the grantor or other person owing an obligation, the performance of which is secured by said trust deed, or by their successor in interest, with respect to provisions therein which authorize sale in the event of default of such provision; the default for which foreclosure is made is grantor's failure to pay when due the following sums:

Payments in the amount of \$818.75 per month from September 1999 through the present.

By reason of said default, the beneficiary has declared all sums owing on the obligation secured by said trust deed immediately due and payable, said sums being the following, to-wit: \$86,603.86 as of August 19, 1999, plus interest.

Notice hereby is given that the beneficiary and trustee, by reason of said default, have elected and do hereby elect to foreclose said trust deed by advertisement and sale pursuant to Oregon Revised Statutes Sections 86.705 to 86.795, and to cause to be sold at public auction to the highest bidder for cash the interest in the said described property which the grantor had, or had the power to convey, at the time of the execution by him of the trust deed, together with any interest the grantor or his 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 the compensation of the trustee as provided by law, and the reasonable fees of trustee's attorney.