

NOTICE OF DEFAULT AND ELECTION TO SELL

Reference is made to that certain Trust Deed, in which Carol Frye as Grantors to Amerititle, an Oregon Corp. as Trustee in favor of Michael Remington and Shirley R. Remington as Beneficiaries, executed on February 3, 2000 and recorded on February 8, 2000, in Vol. M00, page 4065, and re-recorded on February 22, 2000, Vol. M00, page 5462, of the Official Records of Klamath County, Oregon, covering the following described real property situated in said county and state, to wit:

The N 1/2 of the S 1/2 of the SE 1/4 of Section 8, Township 39 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon, Together with the Following Easements for Ingress and Egress; Roadway Easement recorded December 2, 1975 in Volume M75, Page 15158; Easement recorded March 112, 1975 in Volume M75, Page 2871; Easement recorded January 18, 1974 in Volume M74, Page 7514; and Easment recorded June 18, 1974 in Volume M74, Page 7508

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 situated; 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 owing an obligation, the performance of which is secured by said Trust Deed with respect to provisions therein which authorize sale in the event of default of such provision; default for which foreclosure is made is Grantors' failure to pay when due the following sums:

1. Failure to keep the property insured;
2. \$1,733.00 on May 7, 2000, and each month thereafter until present together with late fees of 5% and other penalties

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:

Notice of Default -1-

Principal in the sum of \$130,000, together with interest at the rate of 18.00% per annum from May 7, 2000, plus 5% late fee on each payment.

Notice hereby is given that the Beneficiary and the Trustee, by reason of said default, have elected and do hereby elect to foreclose said Trust Deed by advertisement and sale pursuant to ORS 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 and 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 obligation secured by said Trust Deed and the expenses of sale, including the compensation of the Trustee as provided by law and the reasonable fees of a Trustee's attorney.

Sale will be held on the March 15, 2000 at 9:00 a.m. at the following place: 125 N. Second Street, in the City of Ashland, County of Jackson, State of Oregon, which is the hour, date and place fixed by the Trustee for said sale.

Other than as shown of record, neither the 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 Grantor or of any lessee or other person in possession of or occupying the property except: NONE

Notice is further given that any person named in Section 86.753 of the Oregon Revised Statutes has the right at any time prior to five (5) days before the Trustee conducts the sale to have this foreclosure proceeding dismissed and the Trust Deed reinstated by payment to the Beneficiary the entire amount then due, other than a portion of the principal as would not then be due had no default occurred, and by curing any other default complained of herein that is capable of being cured by tendering the performance required under the obligation of the Trust Deed and, in addition to paying such sums or tendering the performance necessary to cure the default, by paying all costs and expenses actually incurred in enforcing the

obligations and Trust Deed together with the Trust Deed and attorney's fees not exceeding the amounts provided by statute.

DATED this 8th day of December, 2000.

R K Cue
Ronald K. Cue, Successor Trustee

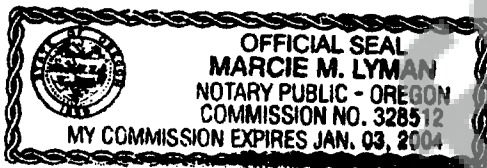
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STATE OF OREGON)

) ss. 12 - 8, 2000

County of Jackson)

Personally appeared the above named Ronald K. Cue, and acknowledged the foregoing instrument to be his voluntary act and deed. Before me:



Marcie M Lyman
Notary Public for Oregon

My Commission Expires: Jan 3, 2004