

NOTICE OF DEFAULT OF TRUST DEED AND ELECTION TO SELL

MICHAEL W. PETERKIN, Successor Trustee under the Trust Deed described below, hereby elects to sell the real property described below, at 10:00 a.m. on April 27, 2001, at the front steps of the Klamath County Courthouse, Klamath Falls, Oregon.

Grantor, whose obligations are secured by the Trust Deed hereinafter described is in default by reason of Grantor's failure to pay installments when due on the note secured by the Trust Deed described below.

GRANTOR: STANLEY B. AYRES

TRUST DEED RECORDED: July 20, 1999 in Volume M99, Page 28879, records of Klamath County, Klamath County, Oregon.

BENEFICIARY: Floyd E. Burks. The beneficial interest of which was assigned to Don McLean recorded July 20, 1999, Vol. M99, Page 28881, Klamath County records, Klamath County, Oregon.

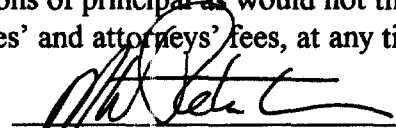
PROPERTY COVERED BY TRUST DEED: See Exhibit "A" attached hereto and incorporated herein by reference.

DEFAULT: Failure to pay the monthly installments of \$595.84 for the months of December 1999 to present, together with real property taxes, accrued interest and late fees.

SUM OWING ON OBLIGATION SECURED BY TRUST DEED: Principal balance of \$55,000 with interest at 13% per annum from December 14, 1999 until paid and accrued late fee of \$327.69, Collection Fee of \$7.00, and Closeout Fee of \$35.00. The total amount due as of December 12, 2000 is \$62,480.49.

Notice is given that any person named in the Oregon Revised Statutes, 86.740 has the right to have this foreclosure proceeding dismissed and the Trust Deed reinstated by payment of the entire amount due, other than such portions of principal as would not then be due had no default occurred, together with costs, trustees' and attorneys' fees, at any time prior to five (5) days before April 27, 2001.

STATE OF OREGON)
) ss.
County of Deschutes)


Michael W. Peterkin, Successor Trustee

The foregoing instrument was acknowledged before me this 13th day of December, 2000, by Michael W. Peterkin.


Notary Public for Oregon

After recording, return to:
MICHAEL W. PETERKIN
141 NW GREENWOOD AVE. #201
BEND, OR 97701



EXHIBIT "A"

Commencing at the South quarter corner of Section 36, Township 24 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon, and further running North 0 degrees 32' East 881.76 feet; thence South 89 degrees 15' East, a distance of 335.7 feet to the point of beginning; thence South 89 degrees 15' East, a distance of 335.5 feet; thence North 00 degrees 32' East, a distance of 125 feet; thence North 89 degrees 15' West, a distance of 335.5 feet; thence South 00 degrees 32' West, a distance of 125.0 feet to the point of beginning.

EXCEPTING THEREFROM:

Parcel 2 of Minor Partition 52-82 being a tract of land situated in the SW1/4 SE1/4 of Section 36, Township 24 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at a point from which the South 1/4 corner of said Section 36 bears North 89 degrees 15' West 167.70 feet; South 89 degrees 15' West, 335.7 feet and South 00 degrees 32' West 881.61 feet; thence North 00 degrees 32' East 125.00 feet to a point on the South line of Kaehn Road; thence South 89 degrees 15' East, along said South line 65.20 feet; thence South 00 degrees 32' West, 125.00 feet; thence North 89 degrees 15' West, 65.20 feet to the point of beginning, with bearings and distances based on the final map of said "Minor Partition 52-82".

Parcel 3 of Minor Partition 52-82 being a tract of land situated in the SW1/4 SE1/4 of Section 36, Township 24 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at a point from which the South 1/4 corner of said Section 36 bears North 89 degrees 15' West 232.90 feet; thence South 89 degrees 15' West, 335.7 feet and South 00 degrees 32' West 881.61 feet; thence North 00 degrees 32' East 125.00 feet to a point on the South line of Kaehn Road; thence South 89 degrees 15' East, along said South line, 102.60 feet; thence South 00 degrees 32' West, 125.00 feet; thence North 89 degrees 15' West, 102.60 feet to the point of beginning, with bearings and distances based on the final map of said "Minor Partition 52-82".

State of Oregon, County of Klamath
Recorded 12/15/00, at 3:27 p. m.
In Vol. M00 Page 45236
Linda Smith,
County Clerk Fee\$ 26⁰⁰