

2001 JAN 30 PM 2:42

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After recording, return to:

Sabrina Loiselle  
 Miller Nash LLP  
 111 S.W. Fifth Avenue, Suite 3500  
 Portland, Oregon 97204-3699

State of Oregon, County of Klamath  
 Recorded 01/30/01, at 2:42 p.m.  
 In Vol. M01 Page 3690  
 Linda Smith,  
 County Clerk Fee\$ 26<sup>00</sup>

### NOTICE OF DEFAULT AND ELECTION TO SELL

1. This notice of default is recorded pursuant to ORS 86.735(3) with respect to a deed of trust (the "Trust Deed") dated **November 21, 1997**, by **Arthur C. Avery and Ruth W. Avery** (the "Grantors"), to **William L. Sisemore** (the "Trustee"), to secure payment and performance of certain obligations of the Grantor to **Klamath First Federal Savings and Loan Association** (the "Beneficiary"), including repayment of the promissory note (the "Note") dated **November 21, 1997**, in the principal amount of **\$60,000.00** ("the Note").

2. The description of the real property covered by the Trust Deed is:

Lot 8 in Block 309 Darrow Addition in the City of Klamath Falls, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

3. The Trust Deed was recorded on **November 21, 1997**, in **Volume M97 at Page 38377** in the official real property records of Klamath County, Oregon.

4. Title to said property is currently vested in **Arthur C. Avery, Ruth W. Avery, and Janet R. Ross**, as an estate in fee simple with full rights of survivorship.

5. The successor trustee hereby certifies that no action has been instituted to recover the obligation, or any part thereof, now remaining secured by the Trust Deed or, if such action has been instituted, such action has been dismissed except as permitted by ORS 86.735(4).

6. The default for which the foreclosure is made is the Grantor's failure to make monthly payments beginning September 2000, and each month thereafter, as required under the Note and Trust Deed in the total amount of \$2,108.00 as of December 27, 2000, and late charges in the amount of \$64.47 as of December 27, 2000.

7. By reason of said default, Klamath First Federal Savings and Loan Association, as beneficiary under the Trust Deed, has declared all sums owing on the obligation secured by the Trust Deed immediately due and payable which sums are as follows: (a) the principal amount of \$58,499.96, (b) accrued interest of \$1,851.17 as of December 27, 2000, and interest accruing thereafter on the principal amount at the rate of 7.750 percent per annum, (c) late charges of \$64.47 as of December 27, 2000, and any late charges accruing thereafter, (d) amounts that the beneficiary has paid on or may hereinafter pay to protect the lien, including by way of illustration, but not limitation, taxes, assessments, interest on prior liens, and insurance premiums, and (e) costs and attorney and trustee fees incurred by the Beneficiary in foreclosure, including the cost of a trustee's sale guarantee and any other environmental or appraisal report.

8. Notice is hereby given that by reason of said default, Klamath First Federal Savings and Loan Association, as beneficiary under the Trust Deed, and the successor trustee have elected to foreclose the trust deed by advertisement and sale pursuant to ORS 86.705 to ORS 86.795 and to sell the real property identified in paragraph 2 to satisfy the obligation that is secured by the Trust Deed.

9. The sale will be conducted on **June 12, 2001, at one o'clock (1:00) p.m., based on the standard of time established by ORS 187.110, just outside the main entrance of the Klamath County Courthouse, 316 Main Street, Klamath Falls, Oregon 97601.**

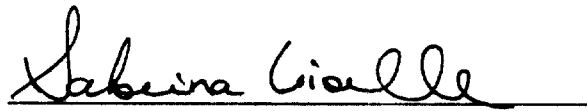
10. Notice is further given that any person named in ORS 86.753, has the right, at any time prior to five days before the date last set for the sale, to have this foreclosure proceeding dismissed and the trust deed reinstated by payment to Klamath First Federal Savings and Loan Association, as beneficiary, of the entire amount then due, (other than such portion of 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 or Trust Deed, and, in addition to paying said sums or tendering the performance necessary to cure the default, by paying all costs and expenses actually incurred in enforcing the obligation and Trust Deed, together with Trustee and attorney fees not exceeding the amount provided by ORS 86.753.

11. In construing this notice, the singular includes the plural, the word "grantor" includes any successor in interest to the grantor as well as any other person owing an obligation, the performance of which is secured by said Trust Deed, and the words "trustee" and "beneficiary" include their respective successor in interest, if any.

**In accordance with the Fair Debt Collection Practices Act, this is an attempt to collect a debt, and any information obtained will be used for that purpose. This communication is from a debt collector.**

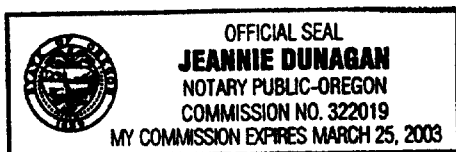
For further information, please contact Sabrina P. Loiselle at Miller Nash LLP, 111 S.W. Fifth Avenue, Suite 3500, Portland, Oregon 97204 or telephone her at (503) 224-5858.

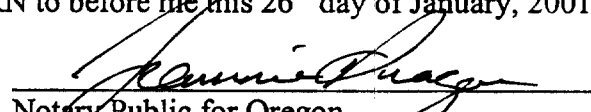
DATED: January 26, 2001.

  
Sabrina P. Loiselle  
Successor Trustee

STATE OF OREGON                    )  
  ) SS  
COUNTY OF MULTNOMAH        )

SUBSCRIBED AND SWORN to before me this 26<sup>th</sup> day of January, 2001.



  
Notary Public for Oregon  
My commission expires: 05/25/03