

After recording, return to:
William M. Ganong
Attorney at Law
514 Walnut Avenue
Klamath Falls OR 97601

NOTICE OF DEFAULT AND ELECTION TO SELL

Pursuant to ORS 86.705-795, the undersigned Trustee and the Beneficiary have elected to foreclose the following described Trust Deed in the manner provided by said statute.

1. A. Grantor: Steven Meer

B. Trustee: William M. Ganong

C. Beneficiary: Bennie Permenter

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

Lots 1 and 2, Block 66, KLAMATH FALLS FOREST
ESTATES HIGHWAY 66 UNIT, Plat No. 3, in the
County of Klamath, State of Oregon.

Klamath County Assessor's Account Nos.
Code 36 Map 3711-34CO Tax Lot 500 and
Code 114 Map 3811-3BO Tax Lot 2600

The book, page number, and the date the subject Trust Deed was recorded in the Mortgage Records of Klamath County, Oregon are:

Book: M96 Page: 18277 Date Recorded: June 19, 1996

3. The defaults for which the foreclosure is made are as follows:

(a) The Grantor's failure to make monthly installment payments in the sum of \$175.45 for 11 months out of the 57 months that payments should have been received from the beginning of the Installment Note.

(b) Grantor's failure to pay real property taxes and interest for the tax years 1996, 1997, 1998, 1999 and 2000 in the sum of \$1,295.28; and for Grantor's failure to pay personal property taxes on the mobile home located on the subject real property for the same years in the amount of \$364.65.

4. The amount owing on the obligation secured by the subject Trust Deed as of December 11, 2000 is \$20,029.83, plus interest at the note rate of 9.0% per annum from August 3, 2000 until paid. Said amount includes the personal property and real property taxes described in paragraph 3.(b), above.

5. The Beneficiary and the Trustee have elected to foreclose the above referenced Trust Deed pursuant to the provisions of Oregon Revised Statutes 86.705 to 86.795.

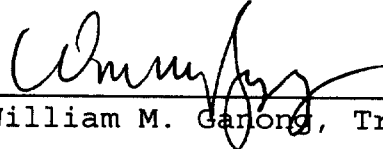
6. The Trustee will conduct a sale of the above described property at 10:00 a.m. on the 28th day of August, 2001, at the front entrance to the office of William M. Ganong at 514 Walnut Avenue, Klamath Falls, Oregon.

7. Pursuant to ORS 86.753, the Grantor, the Grantor's successor in interest to all or any part of the above described property, any beneficiary under a subordinate Trust Deed, or any person having a subordinate lien or encumbrance of record on the property, may cure the default or defaults at any time prior to five days before the above said date of sale by paying the entire amount due at the time of cure under the terms of the obligation, other than such portion as would not then be due had no default occurred. In addition, the person affecting the cure shall pay all costs and expenses actually incurred in enforcing the obligation and Trust Deed, together with the Trustee's and attorney's fees specified in the said statute.

In construing this instrument, 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 any other persons owing an obligation, the performance of which is secured by said Trust Deed, the words "trustee" and

"beneficiary" include their respective successors in interest, if any.

Dated this 11 day of April, 2001.

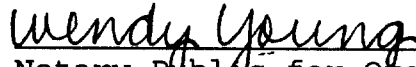


William M. Ganong, Trustee

STATE OF OREGON, County of Klamath) ss.

Personally appeared this 11th day of April, 2001, the above named William M. Ganong, Trustee, and acknowledged the foregoing instrument to be his voluntary act and deed.





Notary Public for Oregon
My commission expires: 8-31-2003

State of Oregon, County of Klamath
Recorded 04/16/01, at 8:29a. m.
In Vol. M01 Page 15891
Linda Smith,
County Clerk Fee\$ 31⁰⁰