

NOTICE OF DEFAULT AND ELECTION TO SELL

Reference is made to that certain trust deed made by Chanhpheth Phetsinorath and Thongphanh Phetsinorath, Grantors, to Aspen Title & Escrow, Inc. Trustee, in favor of Gary E. Adkins and Joan H. Adkins, husband and wife, Beneficiaries, dated June 7, 1999 and recorded June 8, 1999 in Volume M99, Page 22472, in the Official Records of Klamath County, Oregon, covering the following described real property situated in the above-mentioned county and state, to-wit:

Lot 26, Block 305, DARROW ADDITION TO THE CITY OF KLAMATH FALLS, in the County of Klamath, State of Oregon.

CODE 1 MAP 3809-33DD TL 2500

Also known as 2531 White Avenue, Klamath Falls, Oregon

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 Records of the county or counties in which the above-described real property is situated. Further, no action has been instituted to recover the debt, 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).

There is a default by grantor or other person owing an obligation, performance of which is secured by the trust deed, or by the 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:

Delinquent installment on the note of \$449.87 due September 8, 2001.

By reason of the default, the beneficiary has declared all sums owing on the obligation secured by the trust deed immediately due and payable, those sums being the following, to-wit:

The principal balance of \$48,262.00 plus accrued interest at the rate of 9% per annum from August 9, 2001 until paid, plus attorney fees and costs.

Notice hereby is given that the beneficiary and trustee, by reason of the default, have elected and do hereby elect to foreclose the 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 described property which grantor had, or had the power to convey, at the time of the execution by grantor of the trust deed, together with any interest grantor or grantor's successor in interest acquired after the execution of the trust deed, to satisfy the obligations secured by the trust deed and the expenses of the sale, including the compensations of the trustee as provided by law, and the reasonable fees of trustee's attorneys.

This sale will be held at the hour of 10 o'clock, A.M., in accord with the standard of time established by ORS 187.110 on February 13, 2002 at the following place:

The inside lobby of the front entrance of the Klamath County Courthouse, 316 Main Street, Klamath Falls, Oregon.

Other than as shown of record neither the beneficiary nor the 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 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 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 the beneficiary of the entire amount then due (other than such 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 or trust deed, and in addition to paying the 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's and attorney fees not exceeding the amounts provided by ORS 86.753.

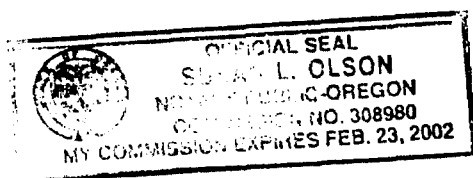
In construing this notice, the singular includes the plural, the word "grantor" includes any successor in interest to the grantor as well as any other person owing an obligation, the performance of which is secured by the trust deed, and the words "trustee" and "beneficiary" include their respective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

Dated September 18, 2001

Gerald M. Shean III
Gerald M. Shean, III, Successor Trustee

STATE OF OREGON)
) ss.
County of Jackson)

This instrument was acknowledged before me on September 18, 2001, Gerald M. Shean, III as Successor Trustee.



Susan L. Olson
Notary Public for Oregon

State of Oregon, County of Klamath
Recorded 09/20/01 at 2:12 p.m.
In Vol. M01 Page 47823
Linda Smith,
County Clerk Fee\$ 26⁰⁰

After recording, return to:
Gerald M. Shean, III
Foster Purdy
201 W. Main, Suite 400
Medford, OR 97501

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