

RE: Contract by and between
Radius Holdings, LLC
Post Office Box 25121
Portland, OR 97298
As Seller

State of Oregon, County of Klamath
Recorded 01/02/2002 4:17 a. m.
Vol M02, Pg 09-10
Linda Smith, County Clerk
Fee \$ 26⁰⁰ # of Pgs 2

and

Kelly L. Newman
Jolene D. Newman
1057 SW 179th Avenue
Aloha, OR 97006
As Buyer

After recording, return to:
Radius Holdings, LLC
Post Office Box 25121
Portland, OR 97298

NOTICE OF DEFAULT AND OF PENDING FORFEITURE

Reference is made to that certain contract for the sale of land by and between Radius Holdings, LLC, an Oregon Limited Liability Company, as the seller, and Kelly L. Newman and Jolene D. Newman, as the purchaser, dated March 13, 2001, recorded December 21, 2001, in the Records of Klamath County, Oregon, in book No. M01 at page 6570 covering the following described real property situated in the above mentioned county and state, to-wit:

Block 32, Lot 16, of the 4th Addition to Nimrod River Park.

AKA: 36 10 11B 1200

There is a default by the purchaser, the purchaser's successor in interest, or other person owing an obligation, the performance of which is required by the contract, with respect to provisions therein which permit forfeiture in the event of default of such provisions. The default by virtue of which this forfeiture is declared is as follows (if the default is in the payment terms, set forth the sum(s) due):

The principal and interest payment due 6/1/01 in the amount of \$100.00 has not been paid.
The late fee for the 6/1/01 payment, in the amount of \$25.00 has not been paid.
The principal and interest payment due 7/1/01 in the amount of \$100.00 has not been paid.
The late fee for the 7/1/01 payment, in the amount of \$25.00 has not been paid.
The principal and interest payment due 8/1/01 in the amount of \$100.00 has not been paid.
The late fee for the 8/1/01 payment, in the amount of \$25.00 has not been paid.
The principal and interest payment due 9/1/01 in the amount of \$100.00 has not been paid.
The late fee for the 9/1/01 payment, in the amount of \$25.00 has not been paid.
The principal and interest payment due 10/1/01 in the amount of \$100.00 has not been paid.
The late fee for the 10/1/01 payment, in the amount of \$25.00 has not been paid.
The principal and interest payment due 11/01 in the amount of \$100.00 has not been paid.
The late fee for the 11/1/01 payment, in the amount of \$25.00 has not been paid.
The principal and interest payment due 12/1/01 in the amount of \$100.00 has not been paid.
The late fee for the 12/1/01 payment, in the amount of \$25.00 has not been paid.

By reason of the default, the contract will be forfeited if the purchaser does not cure the default. The date after which the contract will be forfeited is February 24, 2002. This date affords the purchaser a period of time to cure the default which is not less than: (a) sixty days, if the purchaser has reduced the unpaid balance to an amount greater than 75 percent of the purchase price; (b) ninety days, if the purchaser has reduced the unpaid balance to an amount which is more than 50 percent but less than 75 percent of the purchase price; or (c) one hundred twenty days, if the purchaser has reduced the unpaid balance to an amount which is 50 percent or less of the purchase price.

Notice hereby is given that the contract will be forfeited, and that an affidavit evidencing such forfeiture will be recorded in accordance with ORS 93.930 unless the default complained of is cured on or before the date specified.

This notice of default shall be served pursuant to ORCP 7 D. (2) and 7 D. (3), or by both first class and certified mail with return receipt requested, to the last known address of the purchaser, occupant(s) of the property, and to any person who has caused to be correctly filed a duly acknowledged request for a copy of any notice of default, or to the legal representative of any of such persons. Notices served by mail are effective when mailed.

A copy of this notice, together with one or more affidavits of service or mailing thereof, reciting the dates of service or mailing and the name and address of each person to whom a copy of the notice was mailed or served, shall be recorded in the real property records of each county in which any part of the property is located, and such recording shall constitute constructive notice to all third persons of the pending forfeiture described herein. Should no declaration of forfeiture based upon the notice and affidavit be recorded within one year after the time for cure of the default, and should no extension of time for cure executed by the seller be recorded, this notice and its corresponding affidavit shall not be effective for any purpose, nor shall it impart any constructive or other notice to third persons acquiring an interest in the purchaser's interest in the contract or the property or any portion of either. Any extension of time for cure executed by the seller shall be recorded in the same manner as the original notice and its corresponding affidavit.

This notice shall conclusively be presumed to be adequate, and the statements contained herein correct, unless one or more recipients of this notice notifies the seller or the seller's attorney, by registered or certified mail, that such recipient claims the right to a longer period of time in which to cure the default.

Subject to the procedural requirements of the Oregon Rules of Civil Procedure, and action may be instituted to appoint a receiver or to obtain a temporary restraining order during forfeiture under the contract mentioned herein, except that a receiver shall not be appointed if the subject property is a single-family residence which is occupied at the time this notice is given, as the principal residence of the purchaser, the purchaser's spouse or the purchaser's minor dependent children.

In construing this notice, the singular includes the plural, the word "purchaser" includes any successor in interest to the purchaser as well as any other person owing an obligation, the performance of which is required by the contract, and the word "seller" includes any successor in interest to the seller.

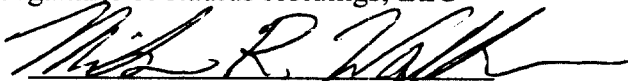
In witness whereof, the seller has executed this instrument. If seller is a corporation, it has caused its name to be signed and its seal, if any, affixed by an officer or other person duly authorized to do so by order of its board of directors.

Dated December 18, 2001


Stephen Seal

Personally appeared before me the above named Stephen Seal, Organizer, Radius Holdings, LLC, and acknowledged the foregoing instrument to be a voluntary act and deed.

STATE OF OREGON, County of MULTNOMAH
This instrument was acknowledged by me on 12/17/01
By Stephen Seal, as Organizer of Radius Holdings, LLC


Notary Public for Oregon
My commission expires 2/5/05

