

AFTER RECORDING RETURN TO:
Hershner, Hunter, Andrews,
Neill & Smith, LLP
Attn: Carol B. Mart
P.O. Box 1475
Eugene, OR 97440

K58478

TRUSTEE'S NOTICE OF DEFAULT AND ELECTION TO SELL
UNDER TERMS OF TRUST DEED

The Trustee under the terms of the Trust Deed described herein, at the direction of the Beneficiary, hereby elects to sell the property described in the Trust Deed to satisfy the obligations secured thereby. Pursuant to ORS 86.745, the following information is provided:

1. PARTIES:

Grantor: VERNON A. McNAIR and CLAIRE M. McNAIR
Trustee: WILLIAM L. SISEMORE
Successor Trustee: MICHAEL C. AROLA
Beneficiary: KLAMATH FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION

State of Oregon, County of Klamath
Recorded 09/03/2002 3:08 p. m.
Vol M02, Pg 49915
Linda Smith, County Clerk
Fee \$ 21.00 # of Pgs 1

2. DESCRIPTION OF PROPERTY: The real property is described as follows:

A portion of the NW 1/4 of the SW 1/4 of the NW 1/4 of Section 1, Township 37 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at the Southwest corner of the NW 1/4 of the NW 1/4 of said Section 1, Township 37 South, Range 11 East of the Willamette Meridian; thence running South along and upon the Section line to a point 660 feet Distant; thence running Northeasterly to the quarter corner between Southwest corner of the SE 1/4 of the NW 1/4 of the NW 1/4 and the Southeast corner of the SW 1/4 of the NW 1/4 of the NW 1/4; thence running West to the point of beginning.

3. RECORDING. The Trust Deed was recorded as follows:

Date Recorded: April 8, 1997
Volume M97, Page 10338
Official Records of Klamath County, Oregon

4. DEFAULT. The Grantor or any other person obligated on the Trust Deed and Promissory Note secured thereby is in default and the Beneficiary seeks to foreclose the Trust Deed for failure to pay: A partial monthly payment in the amount of \$260.00 due December 1, 2001, plus monthly payments in the amount of \$268.00 each, due the fifth of each month, for the months of January through August 2002; plus late charges and advances; plus any unpaid real property taxes or liens, plus interest.

5. AMOUNT DUE. The amount due on the Note which is secured by the Trust Deed referred to herein is: Principal balance in the amount of \$25,049.38 plus interest at the rate of 7.25% per annum from November 5, 2001; plus late charges of \$104.94; plus advances and foreclosure attorney fees and costs.

6. ELECTION TO SELL. The Trustee hereby elects to sell the property to satisfy the obligations secured by the Trust Deed.

7. TIME OF SALE.

Date: January 9, 2003
Time: 11:00 a.m. as established by ORS 187.110
Place: Front of the Klamath County Courthouse, 316 Main Street, Klamath Falls, Oregon

8. RIGHT TO REINSTATE. Any person named in ORS 86.753 has the right, at any time prior to five days before the Trustee conducts the sale, to have this foreclosure 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, by curing any other default that is capable of being cured by tendering the performance required under the obligation or Trust Deed and by paying all costs and expenses actually incurred in enforcing the obligation and Trust Deed, together with the trustee's and attorney's fees not exceeding the amount provided in ORS 86.753.

DATED: August 26, 2002.

Michael C. Arola
Michael C. Arola, Successor Trustee

STATE OF OREGON)
) ss.
COUNTY OF LANE)

The foregoing instrument was acknowledged before me on August 26, 2002, by MICHAEL C. AROLA.

Carol B. Mart
Notary Public for Oregon
My Commission Expires: 11-23-03

