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NOTICE OF DEFAULT AND ELECTION TO SELL

RE: Trust Deed from Norman E. Kohler and Jean A. Kohler, Grantor
TO Willem P. Slootweg and Ina C. Slootweg, Trustees of the Slootweg Loving Trust, Beneficiary

AFTER RECORDING RETURN TO: Scott D. MacArthur, P.C. 280 Main Street Klamath Falls, OR 97601 State of Oregon, County of Klamath Recorded 11/27/2002 1.50 pm. Vol M02, Pg 1937 - 30 Linda Smith, County Clerk Fee \$ 360 # of Pgs 4

NOTICE OF DEFAULT AND ELECTION TO SELL

Reference is made to that certain trust deed made by NORMAN E. KOHLER and JEAN A. KOHLER, as grantor, to KLAMATH COUNTY TITLE COMPANY, as trustee, in favor of WILLEM P. SLOOTWEG and INA C. SLOOTWEG, TRUSTEES OF THE SLOOTWEG LOVING TRUST, dated July 3, 1991, as beneficiary, dated April 25, 1997, recorded April 30, 1997, in the mortgage records of Klamath County, Oregon, in book/reel/volume No. M97 at page 13099, covering the following described real property situated in said county and state, to-wit:

Lot 10 HAGER ACRES, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

AS TO THAT CERTAIN MOBILE HOME DESCRIBED AS FOLLOWS: 1974 WESTM, HT, SERIAL 70A303106453037, THIS INSTRUMENT SHALL CONSTITUTE A SECURITY AGREEMENT ENTITLING THE BENEFICIARY TO ALL RIGHTS AND REMEDIES PROVIDED UNDER THE UNIFORM COMMERCIAL CODE. SAID MOBILE HOME MAY NOT BE REMOVED FROM THE PROPERTY DESCRIBED HEREIN UNTIL THE BALANCE SECURED HEREBY HAS BEEN PAID IN FULL, OR WITH PRIOR WRITTEN CONSENT OF THE BENEFICIARY.

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 mortgage records of the county or counties in which the above described real property is situate; further, that no action has been instituted to recover the debt, or any part thereof, now remaining secured by the said trust deed, or, if such action has been instituted, such action has been dismissed.

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

Taxes for the fiscal year 1999-2000, delinquent in the sum of \$330.84, plus interest. Taxes for the fiscal year 2000-2001, delinquent in the sum of \$201.82, plus interest. Taxes for the fiscal year 2001-2002, delinquent in the sum of \$399.16, plus interest.

Taxes for the fiscal year 1998-1999, on the manufactured dwelling delinquent in the sum of \$101.21, plus interest.

Taxes for the fiscal year 1999-2000, on the manufactured dwelling delinquent in the sum of \$103.65, plus interest.

Taxes for the fiscal year 2000-2001, on the manufactured dwelling delinquent in the sum of \$90.55, plus interest.

Taxes for the fiscal year 2001-2002, on the manufactured dwelling delinquent in the sum of \$74.98, plus interest.

Payments in the amount of \$225.13 per month for June 1999, December 1999, April 2000, December 2001 and from September 2002 to the present.

By reason of said default, the beneficiary has declared all sums owing on the obligation secured by said trust deed immediately due and payable, said sums being the following, to-wit: \$12,595.77 as of August 2, 2002, plus interest.

Notice hereby is given that the beneficiary and trustee, by reason of said default, have elected and do hereby elect to foreclose said trust deed by advertisement and sale pursuant to Oregon Revised Statutes Sections 86.705 to 86.795, and to cause to be sold at public auction to the highest bidder for case the interest in the said described property which the grantor had, or had the power to convey, at the time of the execution by him of the trust deed, together with any interest the grantor or his successors in interest acquired after the execution of the trust deed, to satisfy the obligations secured by said trust deed and the expenses of the sale, including the compensation of the trustee as provided by law, and the reasonable fees of trustee's attorney.

Said sale will be held at the hour of 10:00 o'clock, A.M., Standard Time as established by Section 187.110 of Oregon Revised Statutes on April 7, 2003, at the following place: 280 Main Street, in the City of Klamath Falls, County of Klamath, State of Oregon, which is the hour, date and place fixed by the trustee of said sale.

Other than as shown of record, neither the said beneficiary or the said 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 the grantor or of any lessee or other person in possession of or occupying the property, except:

NAME AND LAST KNOWN ADDRESS

NATURE OF RIGHT, LIEN OR INTEREST

Norman Kohler 7341 Hager Way Klamath Falls, OR 97603 Default upon Trust Deed

Jean Kohler 7341 Hager Way Klamath Falls, OR 97603 Default upon Trust Deed

State of Oregon, County of Klamath Klamath County Tax Collector P.O. Box 340 Klamath Falls, OR 97601 Personal Property Tax Warrant, 98-1210 Recorded July 10, 1998 M98, Page 24526

State of Oregon, County of Klamath Klamath County Tax Collector P.O. Box 340 Klamath Falls, OR 97601 Personal Property Tax Warrant, 99-3036 Recorded April 17, 2000 M00, Page 12443

State of Oregon, County of Klamath Klamath County Tax Collector P.O. Box 340 Klamath Falls, OR 97601 Personal Property Tax Warrant, 99-3332 Recorded April 19, 2000 M00, Page 12850

State of Oregon, County of Klamath Klamath County Tax Collector P.O. Box 340 Klamath Falls, OR 97601 Personal Property Tax Warrant, 20000021 Recorded April 11, 2001 M01, Page 14895

State of Oregon, County of Klamath Klamath County Tax Collector P.O. Box 340 Klamath Falls, OR 97601 Personal Property Tax Warrant, 20000195 Recorded April 12, 2001 M01, Page 15357

State of Oregon, County of Klamath Klamath County Tax Collector P.O. Box 340 Klamath Falls, OR 97601 Personal Property Tax Warrant, 2001381 Recorded April 3, 2002 M02, Page 21888

State of Oregon, County of Klamath Klamath County Tax Collector P.O. Box 340 Klamath Falls, OR 97601 Personal Property Tax Warrant, 2001382 Recorded April 3, 2002 M02, Page 21889

Notice is further given that any person named in Section 86.753 of Oregon Revised Statutes has the right, at any time prior to five days before the trustee conducts 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 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's and attorney's fees not exceeding the amounts provided by said Section 86.753 of Oregon Revised Statutes.

In construing this notice, 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 person owing an obligation, the performance of which is secured by said trust deed, and the words "trustee" and "beneficiary" include their respective successors in interest, if any.

DATED: November 27, 2002.

Scott D. MacArthur Successor Trustee

STATE OF OREGON, County of Klamath) ss.

The foregoing instrument was acknowledged before me this 27th day of Weember, 2002, by Scott D. MacArthur.

(SEAL)

OFFICIAL SEAL

JAN L. CHROWL

NOTARY PUBLIC-OPTION

COMMISSION NO. 3 J 7 7 9 0

MY COMMISSION EXPIRES AUG. 24, 2604

Before me:

Notary Public for Oregon My Commissioner Expires: