

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

Vol M03 Page 12875

mtc 60102

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

'03 MAR 3 AM 11:04

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: GREGREY LEIGH BAKER and DENISE VYDELL BAKER
Trustee: WILLIAM L. SISEMORE
Successor Trustee: NANCY K. CARY
Beneficiary: KLAMATH FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION

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

As described on the attached Exhibit A.

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

Date Recorded: May 18, 1990
Volume M90, Page 9541
Official Records of Klamath County, Oregon

State of Oregon, County of Klamath
Recorded 03/03/2003 11:04 a m.
Vol M03 Pg 12875-76
Linda Smith, County Clerk
Fee \$ 26.00 # of Pgs 2

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: Monthly payments in the amount of \$1,302.00 each, due the 20th of each month, for the months of November and December 2002, plus monthly payments in the amount of \$1,325.00 each, due the 20th of each month, for the months of January and February 2003; 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 \$9,235.93 plus interest at an adjustable rate pursuant to the terms of the Promissory Note from October 20, 2002; plus late charges of \$400.00; 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.

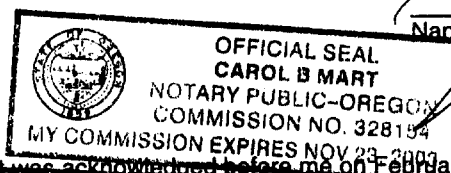
7. TIME OF SALE.

Date: July 10, 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.

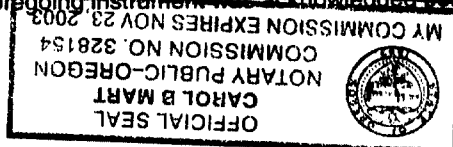
DATED: February 28, 2003.

STATE OF OREGON)
COUNTY OF LANE) ss.



Nancy K. Cary, Successor Trustee

The foregoing instrument was acknowledged before me on February 28, 2003, by NANCY K. CARY.



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

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

210.02 M

Lot 9 in Block 2 of FIRST ADDITION TO LOMA LINDA HEIGHTS, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon. Saving and excepting that portion deeded to the City of Klamath Falls in Deed Volume M66 on page 9332, Microfilm Records of Klamath County, Oregon, more particularly described as follows:

Beginning at a point on the South line of Lot 9, Block 2, FIRST ADDITION TO LOMA LINDA HEIGHTS, said point being 3.80 feet East of the Southwest corner of said Lot; thence Easterly along an arc of a curve having a radius of 35.00 feet, through an angle of 62 degrees, a distance of 37.87 feet more or less to the South line 36.05 feet more or less to the point of beginning, all in the City of Klamath Falls, Oregon.

EXHIBIT A