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MTC-61466

After recording, return to:

Jim N. Slothower
Attorney at Law
P.O. Box 351
Bend, OR 97709

Vol M03 Page 47173

State of Oregon, County of Klamath
Recorded 07/08/2003 3:34 p m
Vol M03 Pg 47173-74
Linda Smith, County Clerk
Fee \$ 26.00 # of Pgs 2

NOTICE OF DEFAULT AND ELECTION TO SELL

Reference is made to that certain trust deed made by NICOLAY R. NICOLAYSEN and DAWN J. NESTON, tenants in common, as grantor, to WESTERN TITLE AND ESCROW, as trustee, in favor of STEVEN TRONO, as beneficiary, dated September 5, 1995, recorded October 15, 1995, in the Microfilm Records of Klamath County, Oregon, in Book No. M95 at page 28095, covering the following described real property situated in the above-mentioned county and state, to-wit:

Lots 61 and 2, Block 1 of Tract 1098 - SPLIT RAIL RANCHOS,
according to the official plat thereof on file in the office of the
County Clerk of Klamath County, Oregon

The defaults for which the foreclosure is made are: (1) the failure to pay monthly payments of \$275.00 totaling \$3,605.70 in delinquent payments through the payment due on June 1, 2003; and (2) failure to pay the real property taxes for 2001-02 and 2002-03 totaling \$492.16, plus interest.

The sum owing on the obligation secured by the trust deed is \$24,334.01, plus accrued interest at the rate of 9.9% per annum totaling \$2,827.93 through May 22, 2003 and accruing thereafter until paid, plus accrued late charges, title expenses, costs, trustee's and attorney's fees incurred herein by reason of said default, and any further sums advanced by the beneficiary for the protection of the above described real property and its interest therein.

Notice is hereby given that by reason of the default, beneficiary and trustee hereby elect to foreclose the trust deed by advertisement and sale pursuant to ORS 86.705 to ORS 86.795, and to cause to be sold at public auction to the highest bidder for case 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 trustee's and attorney's fees.

The sale will be held on December 4, 2003, at the hour of 10:00 o'clock A.M., in accord with the standard of time established by ORS 187.110, at the following place: front entrance to Klamath County Courthouse, 316 Main Street, City of Klamath Falls, County

Page 1 - NOTICE OF DEFAULT AND ELECTION TO SELL

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of Klamath, State of Oregon.

47174

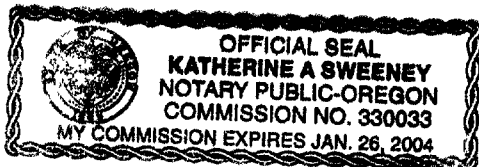
Notice is further give that any person named in ORS 86.753 has the right, at any time prior to five days before the date last set for the sale, to have this foreclosure proceeding dismissed and the trust deed reinstated by payment of the entire amount then due, together with costs, trustee's and attorney's fees, and by curing any other default described in this Notice of Default.

DATED: July 7, 2003

Jim N. Slothower
Jim N. Slothower, Successor Trustee

STATE OF OREGON)
) ss.
County of Deschutes)

This instrument was acknowledged before me on July 7, 2003,
by Jim N. Slothower.



Katherine A Sweeney
Notary Public for Oregon

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