

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

MTC - 61584

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03 JUL 10 am 11:09

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: JOE A. SHOTWELL and SHIRLEY A. SHOTWELL
Trustee: WILLIAM GANONG, JR.
Successor Trustee: NANCY K. CARY
Beneficiary: KLAMATH FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION, Successor to First Federal Savings and Loan Association

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

Beginning at a point 319.3 feet West of the Northeast corner of Lot 16, Section 6, Township 35 South, Range 7 East of the Willamette Meridian; thence South 165 feet; thence West 319.3 feet to the East line of former Dalles-California Highway, thence North along East line of said highway 165 feet; thence East 319.3 feet to the point of beginning.

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

Date Recorded: January 4, 1977
Book M-77, Page 134
Official Records of Klamath County, Oregon

State of Oregon, County of Klamath
Recorded 07/10/2003 11:09 a m.
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Linda Smith, County Clerk
Fee \$ 21.00 # of Pgs 1

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 \$371.00 each, due the 25th of each month, for the months of March through June 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 \$10,481.62 plus interest at the rate of 8.5% per annum from February 25, 2003; plus late charges of \$43.35; 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: November 20, 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

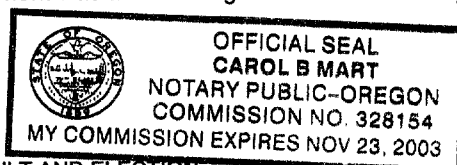
8. RIGHT TO REINSTATE. Any person named in ORS 86.753 has the right, at any time prior to five days before the Trustee conducts the sale, to have this foreclosure dismissed and the Trust Deed reinstated by payment to the Beneficiary of the entire amount then due, other than such portion of the principal 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: July 9, 2003.

STATE OF OREGON)
) ss.
COUNTY OF LANE)

Nancy K. Cary, Successor Trustee

The foregoing instrument was acknowledged before me on July 9, 2003, by NANCY K. CARY.



Notary Public for Oregon
My Commission Expires: 11-23-03

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TO SELL UNDER TERMS OF TRUST DEED

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