

A default has occurred under the terms of a trust deed

executed by Kenneth W. Stratton and Grace E. Stratton, husband & wife as Grantor,
to Mountain Title Co. as Trustee,
dated July 18 1986, and recorded July 22 1986, in the official
records of Klamath County, Oregon, in (as) Volume M86, page 12833
with Mellon Financial Services Corporation as the original Beneficiary,
covering the following described real property: (5645 Altamont Dr., Klamath Falls, OR 97603)
The North half of Tract No. 44 of ALTAMONT SMALL FARMS, according to the official
plat thereof, on file in the office of the County Clerk of Klamath County, Oregon,
EXCEPTING THEREFROM a strip of land 10 feet wide lying along the West end of said
Lot 44, deeded to Klamath County, by Deed dated May 6, 1942, recorded September 11,
1944 in Volume 168 of Deeds, page 543, Klamath County, Oregon.

Peelle Financial Corporation, Successor Trustee, hereby gives Notice that:

1. The default for which the Beneficiary hereby declares the obligation secured by said Trust Deed immediately due and payable, and for which said Trust Deed authorizes sale of the property, is the failure of Grantor or Grantor's successor in interest to: make monthly payments of \$371.18 each, commencing with the payment due on April 8, 1987, and continuing each month until this Trust Deed is reinstated or goes to Trustee's Sale, plus a late charge of 5% on each installment not paid within 15 days following the due date, and all Trustee's fees and other costs and expenses associated with this foreclosure, and any further breach of any term or condition contained in subject Note and Trust Deed, in addition to failure to pay the balance due on payment for March in the amount of \$113.52.

2. The Principal sum immediately owing on the obligation is \$20,520.07 plus any accrued interest at the rate of 18 % per annum from March 17, 1987 until paid, all accrued late charges and prepayment penalty, if any, all trustee's fees, foreclosure costs, and any sums advanced by the beneficiary pursuant to the terms of the Trust Deed in the manner provided in ORS 86.705 to 86.795, and to cause to be sold at public auction to the highest bidder for cash the interest in said described property which Grantor had or had power to convey at the time of the execution of the Trust Deed and any interest which 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 a trustee's fee as provided by law, and the reasonable fees of Trustee's attorneys.

4. The sale of the property will be at the hour of 11:00 o'clock, (A M)
standard of time established by ORS 187.110, on March 8, 1988
at main entrance to Klamath County Courthouse, 316 Main Street
in the city of Klamath Falls, County of Klamath, in the state of Oregon.

5. The Grantor or any person named in ORS 86.753 has the right at any time prior to five days before the date last set for the Trustee's sale to pay to the beneficiary the entire amount then due, other than such portion of the principal as would not then be due had no default occurred, together with all costs and expenses actually incurred in enforcing the obligation and Trust Deed, and statutory trustee's and attorney's fees, and to cure any other default listed above and any other default under the obligation or Trust Deed that may have occurred subsequent to the recording date hereon and to require that the foreclosure proceeding be dismissed and the Trust Deed reinstated.

Dated this 23rd day of October, 1987.

STATE OF OREGON

COUNTY OF Multnomah

} ss.

Peelle Financial Corporation, Successor Trustee

By: Crystal Wiseman
Crystal Wiseman, Foreclosure Officer

On this 23rd day of October, 1987, before me personally appeared Crystal Wiseman who being first duly sworn, did say that he/she is the Fcl. Officer of Peelle Financial Corporation of Washington, a Washington Corporation, and that the foregoing instrument was signed on behalf of said Corporation by authority of its board of directors, and he/she acknowledged said instrument to be its voluntary act and deed.

Notary Public for Oregon

My commission expires: 8/19/91

Peelle Financial Corporation 2525 Southwest First Avenue #170 Portland Or 97201 (503) 228-5950

After Recording Return to:
Peelle Financial Corporation
2525 S.W. First Avenue, Suite 170
Portland, Or 97205

PFC # 10325 CW Loan # 9271294
OK025 120786 NOD-TRUSTEE

STATE OF OREGON, ss.
County of Klamath

Filed for record at request of:

Mountain Title Company
on this 26th day of October A.D., 19 87
at 11:49 o'clock A M. and duly recorded
in Vol. M87 of Mtges. Page 19377

Evelyn Biehn, County Clerk

By [Signature]

Deputy.

Fee. \$5.00