

NOTICE OF DEFAULT AND ELECTION TO SELL

LAWRENCE C. HUBBARD, as Grantor, made, executed and delivered to WESTERN PIONEER TITLE CO., as Trustee, to secure the performance of that certain obligation to pay the principal sum of \$12,996.70 in favor of CENTENNIAL BANK, Springfield Branch, as Beneficiary, as follows:

That Trust Deed dated September 5, 1986, recorded September 9, 1986, in the mortgage records of Klamath County, Oregon, Volume No. M86, Page 16260, said Trust Deed covering the following-described property in Klamath County, Oregon, to-wit:

Beginning at the Northwest corner of the Northeast quarter of the Northwest quarter of the Southeast quarter of Section 25, Township 24 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon; running thence South 100 feet along the West line of said Northeast quarter, Northwest quarter, Southeast quarter of said Section; thence East 220 feet parallel with the North line of said Northeast quarter, Northwest quarter, Southeast quarter; thence North 100 feet parallel with the West line of said Northeast quarter, Northwest quarter, Southeast quarter to the North line thereof, thence West along said North line 220 feet, more or less, to the point of beginning.

Pursuant to the provisions of that certain Trust Deed, WESTERN PIONEER TITLE CO., as Trustee, resigned on the 20th day of April, 1988, and HAMILTON W. BUDGE, JR., was appointed as Successor Trustee in such Trust Deed in the place and stead of the Trustee named herein, which Appointment of Successor Trustee were recorded at Volume No. M88, Page No. 6652, on April 21, 1988, in the Office of the County Recorder of Klamath County, Oregon.

The undersigned hereby certifies that no assignment of the Trust Deed by the Trustee or by the Beneficiary and no appointment of a Successor Trustee has been made except as recited above and recorded in the mortgage records of the county in which the above-described parcel of real property is situate and that the Beneficiary is the owner and holder of the obligation, the performance of which is secured by said Trust Deed; further, that no action, suit or proceeding has been instituted to recover the debt, or any part thereof, now remaining secured by the said Trust Deed, or if such action or proceeding has been instituted, such action or proceeding has been dismissed.

There is a default by the Grantor owing the obligation, the performance of which is secured by said Trust Deed with respect to the provisions therein which authorize sale in the event of default of such provisions, in that the Grantor failed to pay, when due, the following sums thereon: Payment of monthly installments of

principal and interest of \$196.47 each for the months of January, February, March and April of 1988, amounting to a current total of \$785.88; together with \$19.64 for late charges and \$170.00 for costs incurred in obtaining a foreclosure report. Grantor's failure just described is the default for which the foreclosure mentioned below is made.

By reason of said default, the Beneficiary, CENTENNIAL BANK, has declared all obligations secured by said Trust Deed immediately due, owing and payable, said sums being the following, to-wit: The principal sum of \$11,874.97, plus accrued interest thereon in the amount of \$426.33 as of March 21, 1988, together with interest from that date at the rate of 13.50% per annum until paid; together with \$19.65 for late charges and \$170.00 for costs incurred in obtaining a foreclosure report.

Notice is hereby given that the undersigned, by reason of said default, has elected to sell, and it hereby does 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 cash the interest in the said described property which the Grantor had, or had the power to convey at the time of the execution of the Trust Deed; together with any interest the Grantor, or his successor 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 reasonable charge by the Successor Trustee as provided by law, and the reasonable fees of Successor Trustee and attorney fees.

Said sale will be held at the hour of 2:00 p.m., Standard Time, as established by Section 187.110 of Oregon Revised Statutes on September 20, 1988, at the following place: Main Entrance, Klamath County Courthouse, 316 Main Street, Klamath Falls, Klamath County, Oregon, which is the hour, date and place fixed by the Successor Trustee for said sale. Other than as shown of record, neither the said Beneficiary nor the said Successor Trustee have any action, notice of any person having or claiming to have any lien upon or any interest in the real property hereinabove described subsequent to the interest of the Successor Trustee in the Trust Deed, or of any successor in interest to the Grantor or any lessee or other person in possession of or occupying the property.

Notice is further given that any person named in Section 86.760 of Oregon Revised Statutes has the right to have the foreclosure proceedings dismissed and the Trust Deed reinstated by payment of the entire amount due other than such portion of said principal as would not then be due had no default occurred, together with costs, Successor Trustee's attorney fees, at any time prior to five (5) days before the date set for said sale.

In construing this notice and whenever the context hereof so requires, the masculine gender includes the feminine and the neuter, the singular includes the plural, the word "Grantor" includes any



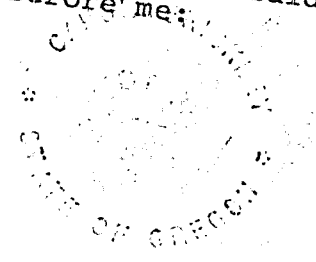
successor in interest to the Grantor as well as each and all persons owing on the obligations, the performance of which is secured by said Trust Deed, the word "Trustee" includes any Successor Trustee, and the word "Beneficiary" includes any successor in interest of the Beneficiary first named above.

H. Budge, Jr.  
HAMILTON W. BUDGE, JR.  
Successor Trustee

STATE OF OREGON )  
County of Lane ) ss.

April 26, 1988

Personally appeared the above-named HAMILTON W. BUDGE, JR., who acknowledged said instrument to be his voluntary act and deed.  
Before me:



Carol Brickley  
NOTARY PUBLIC FOR OREGON  
My Commission Expires: 3-25-89

STATE OF OREGON: COUNTY OF KLAMATH: ss.  
Filed for record at request of Aspen Title & Escrow the 27th day  
of April A.D. 19 88 at 11:13 o'clock A.M. and duly recorded in Vol. M88  
of Mortgages on Page 6653  
FEE \$15.00  
Evelyn Biehn County Clerk  
By Georgia McCashy, Deputy