

PROOF OF MAILING NOTICE OF DEFAULT
AND FORFEITURE OF CONTRACT

STATE OF OREGON, County of Deschutes: ss.

I, DANIEL C. RE, being first duly sworn, depose and say:

That I am the attorney for METROPOLITAN MORTGAGE, Seller's assignee under a Contract between MYRON A. HANNAGAN and ELAINE HANNAGAN, husband and wife, and MARVIN L. TUTER and CYNTHIA S. TUTER, husband and wife, as Seller, and DUANE G. FOUSIE and DONNA F. FOUSIE, husband and wife, as Purchaser. A memorandum of said contract was recorded August 2, 1985, in Vol. M85, Page 12236, Deed Records, Klamath County, Oregon, covering the following described property:


Lots 11, 12 and 13, Block 5, LENOX ADDITION to the City of Klamath Falls, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

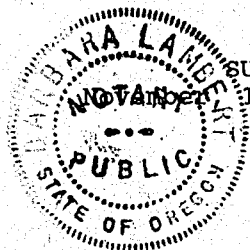
TOGETHER with all improvements on said real property presently existing or which may be hereafter added to said real property.

I hereby certify that I mailed, by first class mail and by certified mail, return receipt requested, a copy of the attached NOTICE OF DEFAULT AND FORFEITURE OF CONTRACT to the persons listed below, on the date and to the address indicated, which was the last known address to the Seller, by placing said NOTICE in a sealed envelope, with postage fully paid thereon, and depositing the same in the United States Mail:

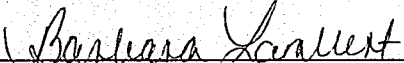
<u>Date</u> :	<u>Person</u> :	<u>Address</u> :
11-7-88	DUANE G. FOUSIE c/o LESLIE KLEIN ATTORNEY AT LAW	426 Main Street Klamath Falls, Or 97601
11-7-88	DONNA F. FOUSIE c/o LESLIE KLEIN ATTORNEY AT LAW	426 Main Street Klamath Falls, Or 97601
11-8-88	KENNETH D. McDONALD c/o DOROTHY McDONALD	5244 Conklin Hilliard, OH 43026
11-8-88	BOBBI J. McDONALD c/o DOROTHY McDONALD	5244 Conklin Hilliard, OH 43026

174 - 0260


DANIEL C. RE, OSB # 80348



SUBSCRIBED AND SWORN to before me this 14th day of November 1988.


NOTARY PUBLIC FOR OREGON
My Commission Expires: 9-26-92

174 - 0261

NOTICE OF DEFAULT AND FORFEITURE OF CONTRACT

Seller under the Contract described below declares Purchaser is in default for the reasons set forth herein.

1. DESCRIPTION OF CONTRACT:

- (a) PURCHASER: DUANE G. FOUSIE and DONNA F. FOUSIE;
- (b) SELLER: MYRON A. HANNAGAN and ELAINE HANNIGAN, husband and wife, MARVIN L. TUTER and CYNTHIA S. TUTER, husband and wife;

SELLERS INTEREST ASSIGNED TO: METROPOLITAN MORTGAGE & SECURITIES CO., INC., dba Metropolitan Financial Services, Inc.

- (c) MEMORANDUM OF CONTRACT RECORDED: August 2, 1985, in Volume M85, at page 12236, Klamath County, Oregon, Deed Records.
- (d) PROPERTY COVERED BY CONTRACT: Lot 11, 12 and 13 in Block 5 of Lennox, according to the plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

2. NATURE AND AMOUNT OF DEFAULT: Failure to pay:

- (a) The regular monthly payments due January 2, 1988 through November 2, 1988, which represent 11 months at \$1,209.23, or a total of \$13,301.53.
- (b) Real property taxes for 1986-87 and 1987-88 in the sum of \$1,699.10, plus interest.

3. SUM OWING ON OBLIGATION: Principal balance of \$103,923.88 with interest at nine percent per annum from December 14, 1987 until paid.

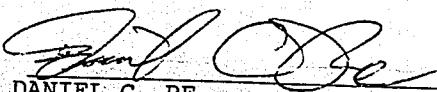
4. DATE AFTER WHICH CONTRACT FORFEITED IF DEFAULT NOT CURED: Unless the default is cured as set forth in paragraph 5 of this Notice, after the Purchaser and all persons claiming through the Purchaser shall have no further rights in the contract or the property and no person shall have any right to redeem the property; and all sums previously paid under the contract by or on behalf of the Purchaser shall belong to and be retained by the Seller or other person to whom paid.

- Page 1 NOTICE OF DEFAULT & FORFEITURE OF CONTRACT [METR2G]

GRAY, FANCHER, HOLMES & HURLEY
ATTORNEYS AT LAW

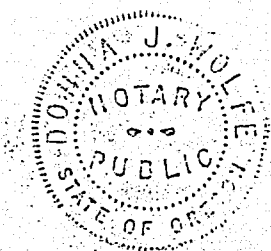
40 N.W. GREENWOOD • P.O. BOX 1151 • BEND, OREGON 97709-1151 • (503) 382-4331

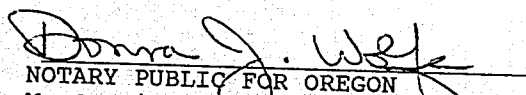
5. CURE OF DEFAULT TO AVOID FORFEITURE: Notice is given that forfeiture may be avoided under the Contract by curing the default(s) by payment of the entire amount due, other than such portions of principal as would not then be due had no default occurred, and tendering performance of other obligations in default, together with costs and expenses actually incurred in enforcing the contract on or before February 17, 1989.
6. NAME AND ADDRESS OF SELLER'S ATTORNEY: Gray, Fancher, Holmes & Hurley, 40 NW Greenwood Avenue, P. O. Box 1151, Bend, Oregon 97709-1151.


 DANIEL C. RE
 Of Attorneys for Seller

STATE OF OREGON, County of Deschutes: ss.

17th The foregoing instrument was acknowledged before me this day of November, 1988, by Daniel C. Re.




 NOTARY PUBLIC FOR OREGON
 My Commission Expires:

STATE OF OREGON) ss.
 COUNTY OF DESCHUTES)

I, MARY SUE PENHOLLOW, COUNTY CLERK AND RECORDER OF CONVEYANCES, IN AND FOR SAID COUNTY, DO HEREBY CERTIFY THAT THE WITHIN INSTRUMENT WAS RECORDED THIS DAY:

88 NOV 14 PM 3:48

MARY SUE PENHOLLOW
 COUNTY CLERK

STATE OF OREGON, ss.
 County of Klamath

Filed for record at request of:

Gray, Fancher, Holmes & Hurley

on this 25th day of Nov A.D., 1988
 at 2:59 o'clock P.M. and duly recorded
 in Vol. M88 of Deeds Page 20003

Evelyn Biehn County Clerk

By Pauline Mullendore
 Deputy.

Fee, \$23.00

BY  DEPUTY

- Page 2 NOTICE OF DEFAULT & FORFEITURE OF CC NO. 88-26430 20-

DESCHUTES COUNTY OFFICIAL RECORDS

per: GRAY, FANCHER, HOLMES & HURLEY
 ATTORNEYS AT LAW