

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: PHILLIP M. JONES and PAMELA S. JONES
Trustee: HARRY M. HANNA
Successor Trustee: MICHAEL C. AROLA
Beneficiary: THE BENJ. FRANKLIN FEDERAL SAVINGS AND LOAN ASSOCIATION

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

As described on the attached Exhibit A.

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

Date Recorded: July 11, 1985
Book M85, Page 10728
Official Records of Klamath County, Oregon

4. DEFAULT. The Grantor or any other person obligated on the Trust Deed and 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 \$815.57 each, due the first of each month, for the months of July and August, 1988; and monthly payments in the amount of \$846.78 each, due the first of each month, for the months of September through November, 1988; plus late charges and advances; plus any unpaid real property taxes, 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 \$74,588.41 plus interest at an adjustable rate pursuant to the terms of the Promissory Note from June 1, 1988; plus late charges of \$317.88 and advances of \$1,896.97.

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. The sale shall be held:

Date: April 6, 1989
Time: 9:30 a.m. as established by ORS 187.110
Place: 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 trustee's and attorney's fees not exceeding the amounts provided in ORS 86.753.

DATED: November 23, 1988.

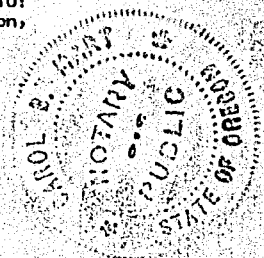
Michael C. Arola
MICHAEL C. AROLA,
Successor Trustee

STATE OF OREGON)
) ss.
County of Lane)

The foregoing instrument was acknowledged before me this 23rd day of November, 1988, by MICHAEL C. AROLA, Successor Trustee.

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

Carol B. Hart
Notary Public for Oregon
My commission expires: 11-23-91



Lot 5, Block 4, Tract No. 1002, LA WANDA HILLS, in the County of Klamath, State of Oregon, Excepting the Southern portion, more particularly described as follows:

Beginning at a 5/8 inch iron pin marking the most Southern corner of said Lot 5; thence North 00 degrees 01' 20" East along the West line of said Lot 5, 423.70 feet to a 1/2 inch iron pin; thence South 69 degrees 22' 33" East, 325.42 feet to a 1/2 inch iron pin on a point on curve of the Northerly right of way line of Gearhart Street from which the radius point of said curve bears North 68 degrees 19' 09" West, 248.85 feet; thence along the arc of a 248.85 feet radius curve to the right (delta = 26 degrees 19' 09": Long Chord = South 34 degrees 50' 25" West, 113.31 feet) 114.31 feet to a 5/8 inch iron pin at the end of curve; thence South 48 degrees 00' 00" West, 322.92 feet to the point of beginning. ✓

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Klamath County Title Co. the 25th day
 of Nov. A.D., 19 88 at 3:28 o'clock P. M., and duly recorded in Vol. M88,
 of Mortgages on Page 20023.
 Evelyn Biehn, County Clerk
 By Pauline M. Mullen

FEE \$13.00

EXHIBIT A