

Seller under the Contract described below declares Purchaser is in default for the reasons set forth herein under ORS 93.905 through 93.945.

1. DESCRIPTION OF CONTRACT:

(A) PURCHASER: CYRUS R. CANZONERI AND JILL R. CANZONERI

(B) SELLER: THE BANK OF CALIFORNIA, N.A., as Trustee

(C) CONTRACT RECORDED: 12-1-82, vol. M82, Page 16381, Deed of records of Klamath County, dated 9-13-81

(D) AMOUNT AND TERMS OF CONTRACT: \$12,000.00. \$1200.00 down, balance of \$10,800.00 at \$154.96 per month starting 11-15-81 until paid including 12% interest per annum.

(E) PROPERTY COVERED BY CONTRACT: Lots 1 and 2 in Block 4, Mt. Scott Meadow, according to the official 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) 84 regular monthly payments at \$154.96 or a total of \$13,016.64. (B) Real property taxes in the sum of \$992.88 plus interest to date.

3. SUM OWING ON OBLIGATION: Principal balance of \$9,368.65 with interest at 12% percent per annum from 6-13-84, plus taxes, attorney fees, and foreclosure costs.

4. DATE AFTER WHICH CONTRACT FORFEITED IF DEFAULT NOT CURED: 7-10-91

Unless the default is cured as set forth in paragraph 5 of this Notice, 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. 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 under the terms of the contract.

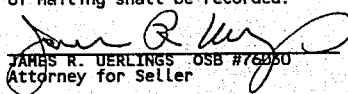
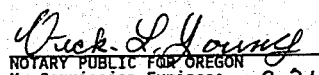
5. CURE OF DEFAULT TO AVOID FORFEITURE:

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 portion 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 7-10-91. AMOUNT TO CURE: \$14,577.52 as of 4-23-91.

6. NAME AND ADDRESS OF SELLER'S ATTORNEY: (Address to Remit Payment)

James R. Uerlings, BOIVIN, JONES & UERLINGS
110 N. Sixth Street, Suite 209
Klamath Falls, OR 97601

A copy of this Notice, together with an Affidavit of Mailing shall be recorded.

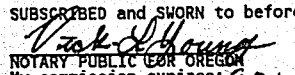

JAMES R. UERLINGS OSB #76250
Attorney for SellerSTATE OF OREGON }
County of Klamath } ss.On this 1 day of May, 1991, personally appeared before me the above named JAMES R. UERLINGS and acknowledged the above to be his voluntary act and deed.
NOTARY PUBLIC FOR OREGON
My Commission Expires: 9-21-92PROOF OF MAILING NOTICE OF DEFAULT AND FORFEITURE OF CONTRACTSTATE OF OREGON)
COUNTY OF KLAMATH) ss.

I, James R. Uerlings, being first duly sworn, depose and say: That I am the attorney for The Bank of California, N.A., Seller under a contract between said parties, The Bank of California, N.A., as Trustee, and CYRUS R. CANZONERI AND JILL R. CANZONERI, as buyer. The contract was recorded 12-1-82, in Volume M82, Page 16381, Deed Records, Klamath County, Oregon, covering the following described real property in Klamath County, Oregon:

Lots 1 and 2 in Block 4, Mt. Scott Meadow, 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 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.

CYRUS R. CANZONERI AND JILL R. CANZONERI
PO BOX 501
PAIA, HI 96779Dated this 1 day of May, 1991.
JAMES R. UERLINGSSUBSCRIBED and SWORN to before me this 1 day of May, 1991.
NOTARY PUBLIC FOR OREGON
My commission expires: 9-21-92STATE OF OREGON, ss.
County of Klamath

AFTER RECORDING RETURN TO:

James R. Uerlings
110 N. 6th Street
Klamath Falls, OR 97601

Filed for record at request of:

Klamath County Title Co.
on this 1st day of May A.D., 19 91
at 3:44 o'clock P M. and duly recorded
in Vol. M91 of Mortgages Page 8106
Evelyn Biehn County Clerk
By Pauline Mullendore
Deputy.

Fee, \$8.00