

NOTICE OF DEFAULT AND ELECTION TO SELL

Reference is made to that certain trust deed made by DONALD R. RICKEY as Grantor, to ASPEN TITLE & ESCROW, INC., as Trustee, in favor of FRANK BORGES AND HAZEL BORGES, husband and wife, with full rights of survivorship, as Beneficiary, dated December 31, 1990, recorded January 3, 1991, in the Microfilm Records of Klamath County, Oregon in Vol. M-91, page 92, covering the following described real property situated in said county and state, to-wit:

See Attached Exhibit "A."

The undersigned hereby certifies that no assignments of the trust deed by the trustee or by the beneficiaries and no appointments of a successor trustee have been made except as recorded in the mortgage records of the county or counties in which the above described real property is situated; further, that no action has been instituted to recover the debt, or any part thereof, now remaining secured by the trust deed, or if such action has been instituted, such action has been dismissed.

There is a default by the grantor or other person owing an obligation, the performance of which is secured by said trust deed, or by their successor in interest with respect to provisions therein which authorize sale in the event of default of such provision, the default for which foreclosure is made is grantor's failure to pay when due the following sums:

\$25,000 due on the first day of April, 1991, and a payment of \$25,000 due on the first day of July, 1991.

By reason of said default, the beneficiary has declared all sums owing on the obligation secured by said trust deed immediately due and payable, said sums being the following, to-wit: \$50,000, plus costs and attorney fees associated with this sale.

Notice hereby is given that the beneficiaries and trustee, by reason of said default, have elected and do hereby 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 by him of the trust deed, together with any interest the grantor or his successors in interest acquired after the execution of the trust deed, to satisfy the obligation secured by said trust deed and the expenses of the sale, including the compensations of the trustee as provided by law, and the reasonable fees of trustee's attorneys.

Said sale will be held at the hour of 10:00 A.M., as established by Section 187.110 of Oregon Revised Statutes, on January 7, 1992, at the following place: Klamath County Courthouse front steps, 316 Main Street, in the city of Klamath Falls, County of Klamath, State of Oregon, which is the hour, date and place fixed by the trustee for said sale.

Other than as shown of record, neither the said beneficiaries nor the said trustee has any actual notice of any person having or claiming to have any lien upon or interest in the real property hereinabove described subsequent to the interest of the trustee in the trust deed, or of any successor in interest to the grantor or of any lessee or other person in possession of or occupying the property except:

Notice is further given that any person named in Section 86.753 of Oregon Revised Statutes has the right, at any time prior to five days before the trustee conducts the sale, to

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PROCTOR & FAIRCLO
ATTORNEYS AT LAW
280 MAIN STREET
KLAMATH FALLS, OREGON 97601

have this foreclosure proceeding 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) and by curing any other default complained of herein that is capable of being cured by tendering the performance required under the obligation or trust deed and in addition to paying said sums or tendering the performance necessary to cure the default, 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 by said Section 86.753 of Oregon Revised Statutes.

In construing this notice, 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 any other person owing an obligation, the performance which is secured by said trust deed, and the words "trustee" and "beneficiary" include their respective successors in interest, if any.

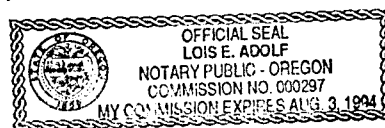
DATED: 8/6/91

Richard Fairclo
Trustee

STATE OF OREGON }
 } ss.
County of Klamath }

The foregoing instrument was acknowledged before me this
6th day of August, 1991, by RICHARD FAIRCLO, Trustee.

Lois E. Adorf
Notary Public for Oregon
My Commission expires: 8/3/94



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Re:
PROCTOR & FAIRCLO
ATTORNEYS AT LAW
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EXHIBIT "A"

In Township 39 South, Range 8 East of the Willamette Meridian,
in the County of Klamath, State of Oregon.

- Section 27: That portion of the W 1/2 of E 1/2 (which includes Lots 3 and 5) lying South of that portion conveyed to Weyerhaeuser Timber Co. by Deed recorded May 5, 1928, Deed Volume 80, Page 275, and Government Lot 4.
- Section 34: Government Lots 1, 2, 3, 4, 5, 6, 7, 8 and 12
- Section 35: Government Lot 1
- Section 27: Beginning at a point on the center section line of Section 27, Township 39 South, Range 8 East of the Willamette Meridian, which point is common with the center section line and the Southeasterly right of way boundary of the Klamath Falls-Ashland Highway (Oregon 66) and bears South a distance of 494.0 feet, more or less, from the quarter section corner common to Sections 22 and 27, Township, Range and Meridian aforesaid; thence continuing South along same center section line a distance of 2661.0 feet, more or less to the Northerly right of way boundary of the Weyerhaeuser Timber Company road (Volume 80, Page 275, Deed Records of Klamath County, Oregon); thence North 55 degrees 21' East along same, a distance of 36.47 feet; thence North, parallel with the aforesaid center section line a distance of 2667.2 feet, more or less, to the Southeasterly right of way boundary of aforesaid Klamath Falls-Ashland Highway; thence South 48 degrees 08' West along same, a distance of 40.28 feet more or less, to the point of beginning, being a 30 foot strip of land for private road purposes.

EXCEPTING THEREFROM that portion conveyed to the State of Oregon, by and through its Department of Transportation, Highway Division by Deed recorded May 17, 1989 in Book M-89 at Page 8560.

CODE 5 & 20 MAP 3908 TL 53
CODE 20 MAP 3908-2700 TL 700

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Proctor & Fairclo the 7th day
of Aug. A.D., 1991 at 11:13 o'clock A.M., and duly recorded in Vol. M91
of Mortgages on Page 15469
Evelyn Biehn County Clerk
By Pauline Muelendore

FEE \$18.00