

NOTICE OF DEFAULT AND FORFEITURE
(Pursuant to ORS Sections 93.905 thru 93.945)

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

1. DESCRIPTION OF CONTRACT:

- (A) PURCHASER: BRENDAN CAPITAL CORP.
- (B) SELLER: JOHN D. ALARCON and DARLENE ALARCON, Tenants in Common
- (C) MEMORANDUM OF LAND SALE CONTRACT RECORDED: May 24, 1989 in Volume M89 Page 8986, Deed Records of Klamath County, Oregon.
- (D) AMOUNT AND TERMS OF CONTRACT: \$400,000.00 payable as follows:
- a. Buyer has paid an initial payment in the sum of \$20,000.00 on January 1, 1989; and
 - b. Buyer paid a second payment in the sum of \$30,000.00 on June 1, 1989;
 - c. The remainder of the purchase price in the amount of \$350,000.00 shall be payable on or before December 31, 1989.

By unrecorded Amendment to Land Sale Contract, Buyer agreed to pay to Seller the sum of \$50,000.00 on July 1, 1990, with the remaining unpaid principal balance of \$295,000.00 to be payable in 3 equal annual installments of \$118,623.87, including interest at the rate of 10% per annum from July 1, 1990 the first of such payments to be paid beginning July 1, 1991.

- (E) PROPERTY COVERED BY CONTRACT: See Exhibit A, attached hereto and by this reference incorporated herein as if fully set forth.

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

- (A) The annual payment due July 1, 1991 in the sum of \$118,623.87.

3. SUM OWING ON OBLIGATION: Principal balance of \$295,000.00 with interest at 10% per annum from July 1, 1990.

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 said date 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