

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:
- Buyer has paid an initial payment in the sum of \$20,000.00 on January 1, 1989; and
 - Buyer paid a second payment in the sum of \$30,000.00 on June 1, 1989;
 - 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

belong to and be retained by the Seller or other person to whom paid.


5. CURE OF DEFAULT TO AVOID FORFEITURE: Notice is given that forfeiture may be avoided under the Contract by curing the default 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 the 8th day of February, ~~1991~~ 1992.

(The period specified shall be not less than 60 days, when the Purchaser has reduced the unpaid balance to an amount greater than 75 percent of the purchase price, 90 days when the Purchaser has reduced the unpaid balance to an amount which is more than 50 percent but less than 75 percent of the purchase price, or 120 days when the Purchaser has reduced the unpaid balance to an amount which is 50 percent or less of the purchase price.)

6. NAME AND ADDRESS OF SELLER'S ATTORNEY:

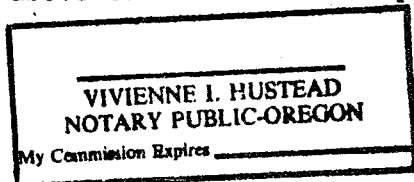
Neal G. Buchanan
601 Main Street, Suite 215
Klamath Falls, Oregon 97601
(503) 882-6607 OSB #77127

A copy of this Notice, together with an Affidavit of Mailing shall be recorded in the property records of Klamath County, Oregon. A copy shall be sent by both first class and certified mail with return receipt requested at the last known address or served pursuant to ORCP 7D(2) and 7D(3) to the purchaser, occupant of the property, any person who has filed of record the request for notice of default, and others shown in the title report, or claiming an interest in the property.


NEAL G. BUCHANAN
Attorney for Seller

STATE OF OREGON)
) ss.
County of Klamath)

On this 17th day of November, 1991, personally appeared before me the above-named Neal G. Buchanan and acknowledged the above to be his voluntary act and deed.



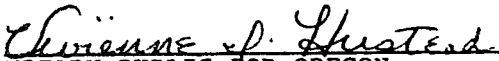

NOTARY PUBLIC FOR OREGON
My Commission Expires: 4-11-93

EXHIBIT "A"

DESCRIPTION OF PROPERTY

The following described real property situate in Klamath County, Oregon:

PARCEL 1:

All those parts of the SW $\frac{1}{4}$ NE $\frac{1}{4}$ and NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 21, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, which lies Northeasterly of the Northeasterly boundary of the right of way of Lost River Diversion Canal.

EXCEPTING THEREFROM beginning at the Northeast corner of the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 21, Township 39 South, Range 9 East of the Willamette Meridian; thence West 343 feet; thence in a Southeasterly direction following Drain No. 1, 630 feet intersecting the East line of the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of said Section; thence North 450 feet to the point of beginning.

AND ALSO EXCEPTING beginning at a point 350 feet West of the Northeast corner of SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 21, in Township 39 South, Range 9 East of the Willamette Meridian, which point is also the intersection of the Westerly line of Drain No. 1 and the center line of the County Road known as the Joe Wright Road; thence running in a Southeasterly direction along the said Westerly line of Drain No. 1, to the East line of said SW $\frac{1}{4}$ NE $\frac{1}{4}$ of said Section 21; thence South along the East line of said SW $\frac{1}{4}$ NE $\frac{1}{4}$, to the intersection with the Easterly line of the No. 1C-4E-1A Lateral; thence Northwesterly along the said Easterly line of said lateral a distance of 1440 feet to the center line of said County Road; thence East along the center line of said road a distance of 400 feet to the place of beginning.

PARCEL 2:

The N $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 16, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon. EXCEPTING THEREFROM a portion conveyed to the United States of America by Deed dated July 2, 1909, recorded July 13, 1909, in Volume 26 page 321, Deed Records of Klamath County, Oregon. ALSO EXCEPTING THEREFROM that portion conveyed to Klamath County, State of Oregon, by Deed dated July 20, 1920, recorded February 15, 1926, in Volume 69 page 287, Deed Records of Klamath County, Oregon. ALSO EXCEPTING THEREFROM a 20 foot strip off the North side of said NW $\frac{1}{4}$ SW $\frac{1}{4}$.

No. 985646/ K-43336

PROOF OF MAILING NOTICE OF DEFAULT
AND FORFEITURE OF CONTRACT

STATE OF OREGON)
) ss.
County of Klamath)

I, NEAL G. BUCHANAN, being first duly sworn, depose and say:

I am the attorney for JOHN D. ALARCON and DARLENE ALARCON, sellers under a contract between JOHN D. ALARCON and DARLENE ALARCON, Tenants in Common as sellers, and BRENDAN CAPITAL CORP., as purchaser. A Memorandum of said contract was recorded the 24th day of May, 1989 at Volume M89, Page 8986, Deed Records of Klamath County, Oregon, covering the real property described on Exhibit A, attached hereto and incorporated by this reference herein as if fully set forth.

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 address known to the seller, by placing said NOTICE in a sealed envelope, with postage fully paid thereon, and depositing the same in the United States mails at Klamath Falls, Oregon:

Date:	Person:	Address:
11-6-91	Brendan Capital Corp.	c/o Registered Agent Owen B. McCullen Armstrong, McCullen, et al Attorneys at Law 1420 Green Acres Road Eugene, Oregon 97401-1753
11-6-91	U.S. Trustee	U.S. Bankruptcy Court District of Oregon 44 W. Broadway, Ste. 500 Eugene, Oregon 97401
11-6-91	Ronald R. Sticka, Trustee	Attorney at Law P.O. Box 11038 Eugene, Oregon 97440-3238
11-6-91	David B. Mills, of Attorneys for Ronald R. Sticka, Trustee	Hammons, Mills & Spickerman Attorneys at Law 1342 High, Suite 3 Eugene, Oregon 97401
11-6-91	Wray Partnership, an Oregon general partnership	c/o Michael B. Wray, Registered Agent W. C. Ranch 17356 Hill Road Klamath Falls, OR 97603

2846
23295

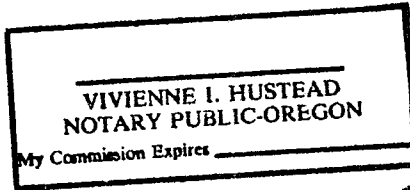
11-6-91

Dennis Murphy,
pasturage lessee

6909 Henley Road
Klamath Falls, OR 97603

Neal G. Buchanan
NEAL G. BUCHANAN

SUBSCRIBED AND SWORN to before me this 6th day of
November, 1991



Vivienne I. Hustead
NOTARY PUBLIC FOR OREGON
My Commission Expires: 4-11-93



STATE OF OREGON: COUNTY OF KLAMATH

Filed for record at request of Neal G. Buchanan the 6th day
of Nov. A.D., 19 91 at Klamath Falls, Oregon clock P.M., and duly recorded in Vol. M91
of Mortgages on Page 23291
By Evelyn Biehn County Clerk
By Dorlene Mulenders

FEE \$28.00

INDEXED
D.V.I.V.

Return: Neal G. Buchana
601 Main St. #215
Klamath Falls, Or. 97601

PROOF OF MAILING
AMENDED DECLARATION OF FORFEITURE

STATE OF OREGON)
) ss.
County of Klamath)

I, NEAL G. BUCHANAN, being first duly sworn, depose and say:

I am the attorney for JOHN D. ALARCON and DARLENE ALARCON, sellers under a contract between JOHN D. ALARCON and DARLENE ALARCON, tenants in common as Seller, and BRENDAN CAPITAL CORP., as Purchaser. A Memorandum of said contract was recorded the 24th day of May, 1989 at Volume M89, Page 8986, Deed Records of Klamath County, Oregon, covering the real property described on Exhibit A, attached hereto and incorporated by this reference herein as if fully set forth.

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

<u>Date:</u>	<u>Person:</u>	<u>Address:</u>
2-11-92	Brendan Capital Corp.	c/o Registered Agent Owen B. McCullen, Armstrong, McCullen, et al Attorneys at Law 1420 Green Acres Road Eugene, Oregon 97401-1753
2-11-92	U.S. Trustee	U.S. Bankruptcy Court District of Oregon 44 W. Broadway, Ste. 500 Eugene, Oregon 97401
2-11-92	Ronald R. Sticka, Trustee	Attorney at Law P.O. Box 11038 Eugene, Oregon 97440-3238
2-11-92	David B. Mills, of Attorneys for Ronald R. Sticka, Trustee	Hammons, Mills & Spickerman Attorneys at Law 1342 High, Suite 3 Eugene, Oregon 97401
2-11-92	Wray Partnership, an Oregon general partnership	c/o Michael B. Wray, Registered Agent W.C. Ranch 17356 Hill Road Klamath Falls, OR 97603

2-11-92

Dennis Murphy
pasturage lessee6909 Henley Road
Klamath Falls, OR 97603Neal G. Buchanan
NEAL G. BUCHANANSUBSCRIBED AND SWORN to before me this 11th day of
February, 1992.Marsha Coine
NOTARY PUBLIC FOR OREGON

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Neal G. Buchanan the 11th day
of Feb. A.D., 19 92 at 12:27 o'clock P. M., and duly recorded in Vol. M92,
of Deeds on Page 2840.
Evelyn Biehn, County Clerk
By Pauline M. Henderson

FEE \$70.00