

NOTICE OF DEFAULT AND ELECTION TO SELL

Reference is made to that certain trust deed made by CLAUDE W. TAYLOR and BEVERLY A. TAYLOR, Husband and Wife, as the grantors, KLAMATH COUNTY TITLE COMPANY as the trustee, and ROSE HOUSE and JOHN Q. HOUSE as the beneficiaries under that certain trust deed dated September 12, 1991, recorded September 20, 1991, in Volume M91 page 19018, re-recorded December 2, 1991, in Volume M91, page 25082 of the Mortgage Records of Klamath County, Oregon. Assignment and Pledge Agreement, including the terms and provisions thereof from Rose House and John Q. House to Farm Credit Bank of Spokane, dated September 18, 1991, recorded September 20, 1991, in Volume M91 page 19021, Mortgage records of Klamath County, Oregon, covering the following described real property situated in said county and state, to-wit:

Township 36 South, Range 12 East of the Willamette Meridian:
Section 8: Lot 29 and all those portions of Lots 21, 27, 28 and 30, lying
Southerly of the center of the main channel of Sprague River.
Section 17: Lots 1 through 28 inclusive.

Both the beneficiary and the trustee have elected to sell the said real property to satisfy the obligations secured by said trust deed and a notice of default has been recorded pursuant to Oregon Revised Statutes 86.735(3); the default of which the foreclosure is made is grantor's failure to pay when due the following sums:

Failure to pay \$3,000 of the annual installment due and payable on December 1, 1993, and failure to pay \$8,000 of the annual installment due and payable on December 1, 1994.

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:

\$147,195.00 plus interest at the rate of 9% per annum from July 22, 1994.

WHEREFORE, notice hereby is given that the undersigned trustee will on August 9, 1995, at the hour of 10:30 o'clock, A.M., in accord with the standard of time established by ORS 187.110, at Klamath County Courthouse Annex front steps, 305 Main, in the City of Klamath Falls, County of Klamath, State of Oregon, sell at public auction to the highest bidder for cash the interest in the said described real property which the grantor had or had power to convey at the time of the execution by him of the said trust deed, together with any interest which the grantor or his successors in interest acquired after the execution of said trust deed, to satisfy the foregoing obligations thereby secured and the costs and expenses of sale, including a reasonable charge by the trustee. Notice is further given that any person named in ORS 86.753 has the right, at any time prior to five days before the date last set for the sale, to 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 to 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 of 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 ORS 86.753.

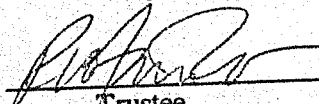
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In construing this notice, the masculine gender includes the feminine and the neuter, the singular includes the plural, the word "grantor" includes any successor in interest to the grantor as well as any other person owing an obligation, the performance which is secured by said trust deed, and the words "trustee" and "beneficiary" include their respective successors in interest, if any.

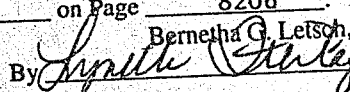
DATED: March 31, 1995


Trustee

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Richard Fairclo the 4th day
of April A.D., 19 95 at 2:07 o'clock P M., and duly recorded in Vol. M95,
of Mortgages on Page 8206.

FEE \$15.00

By  Bernetha G. Letson, County Clerk

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