

NOTICE OF DEFAULT AND NOTICE OF SALE

NOTICE is hereby given that the obligation, the performance of which is secured by the herein-described deed of trust, is in default and that the beneficiary has elected to foreclose the trust deed by advertisement and sale in the manner provided in ORS 86.705 to ORS 86.795.

The information required by statute is as follows:

1. No action has been instituted to recover the debt or any part of it then remaining secured by the trust deed, or, if such action has been instituted, the action has been dismissed;
2. The grantor is: Annette K. Pelletier
3. The trustee is: Crater Title Insurance Company
4. The successor trustee is: Carlyle F. Stout III
5. The beneficiaries are: Blacketor & Associates, a partnership consisting of Hugh R. Blacketor, Naomi R. Blacketor, Robert S. Blacketor, Penny A. Whitney and James L. Whitney.
6. The description of the real property covered by the trust deed is described on Exhibit "A" attached hereto and incorporated herein by reference.
7. The trust deed was recorded on the 18th day of October, 1994, in Volume M94, Page 32387, re-recorded October 24, 1994, in Volume M94, Page 32952, Mortgage Records of Klamath County, Oregon.
8. The default for which this foreclosure is made is as follows:
 - (a) Failure to make the monthly payment in the sum of \$200, due May 14, 1995;
 - (b) Failure to reimburse Beneficiary's attorney's fees incurred in the matter in the sum of \$290.00.
9. The sum owing on the obligation secured by trust deed is as follows: \$20,000, with interest thereon at the rate of twelve percent (12%) per annum from April 19, 1995, plus trustee's fees, attorney's fees, foreclosure costs and any sums advanced by the beneficiary pursuant to the terms of said trust deed.
10. The beneficiary elects to sell the property to satisfy the obligations secured by the trust deed.

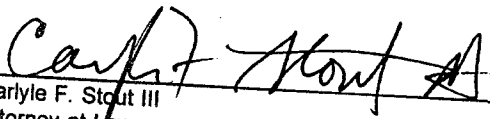
-1- NOTICE OF DEFAULT AND NOTICE OF SALE

Ret Carlyle F Stout III
215 Laurel St
Medford, OR 97501

11. The property will be sold in the manner prescribed by law on the 9th day of November, 1995 at 11:00 o'clock a.m., standard time, as established by ORS 187.110 on the front steps of the Klamath County Sheriff's Office, 808 S. Fifth Street, Klamath Falls, Klamath County, Oregon.

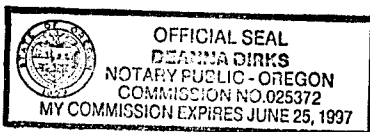
12. Interested persons are hereby notified of the right under ORS 86.753 to have this proceeding dismissed and the trust deed reinstated by payment of the entire amount then due, together with costs, trustee's and attorney's fees, and by curing any other default complained of in the notice of default, at any time prior to five (5) days' before the date last set for the sale.

DATED this 20th day of June, 1995.


 Carlyle F. Stout III
 Attorney at Law
 Successor Trustee

STATE OF OREGON)
)ss.
 County of Jackson)

Personally appeared Carlyle F. Stout III and acknowledged the foregoing instrument to be his voluntary act and deed. Before me this 20th day of June, 1995.



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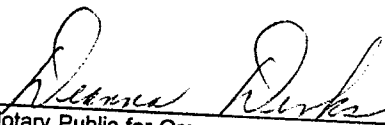

 Notary Public for Oregon
 My Commission Expires: 6/25/97

EXHIBIT A**DESCRIPTION**

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

A parcel of land situated in Government Lot 16, Section 7, Township 35 South, Range 7 East of the Willamette Meridian, more particularly described as follows:

Commencing at the Southeast corner of said Government Lot 16, thence N. 89°57'40" W., along the South line of said Government Lot 16 a distance of 571.43 feet more or less to the West right of way line of State Highway 427; thence N. 01°23'30" W. along the West right of way line of said State Highway 427 a distance of 379.19 feet to the True point of beginning; thence from said true point of beginning N. 01°23'30" W. along the West right of way line of said State Highway 427, a distance of 140.42 feet; thence N. 89°57'40" W. a distance of 605 feet to a point on the Westerly line of said Government Lot 16; thence S. 14°24'30" W. along the Westerly line of Government Lot 16 a distance of 201.26 feet; thence S. 89°57'40" E. a distance of 220 feet; thence N. 00°02'20" E a distance of 55 feet; thence S. 89°57'40" E, a distance of 438.45 feet to the true point of beginning.

With the common street address of 35850 Modoc Point Road, Chiloquin, OR.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of _____ the 27th day
of June A.D., 19 95 at 2:25 o'clock P M., and duly recorded in Vol. M95
of Mortgages on Page 16822.

FEE \$20.00

Bernetha G. Letsch, County Clerk
By Annette Mueller

EXHIBIT A