

K-49373

NOTICE OF DEFAULT AND ELECTION TO SELL

Reference is made to that certain Trust Deed made by Leonard Paul Kinney, as Grantor, to Josephine-Crater Title Companies, Inc. an Oregon corporation, as trustee, in favor of Lloyd R. House, Dennis R. Kantor and Rebecca H. Kantor, or survivor, as Beneficiary, dated July 24, 1995, recorded July 28, 1995, in Volume M-95 on page 19750 covering the following described real property situated in Klamath County and State of Oregon, to wit:

The East half of Lots 70 and 71, Yalta Gardens, according to the official plat thereof on file in the office of the County Clerk, Klamath County, Oregon.

The undersigned hereby certifies that no assignments of the Trust Deed by the Trustee or by the Beneficiary 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 situate; further, that no action has been instituted to recover the debt, or any part thereof, now remaining secured by the said 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:

Failure to pay \$408.92 in monthly payments for the months of March 27 and April 27, 1996 and each month as they come due plus late penalties as provided by the Note.

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:

\$16,573.28 plus interest at the rate of twelve percent (12%) per annum from March 7, 1996 until paid plus costs of sale by advertisement and sale as provided by law and any late penalties as provided in the Note and any prepayment penalties as provided in said Note.

Notice is hereby given that the beneficiary 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 for 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 obligations secured by said Trust Deed and the expenses of the sale, including the compensation of the trustee as provided by law, and the reasonable fees of trustee's attorneys.

Said sale will be held at the hour of 2:00 p.m. in accord with the standard time established by ORS 187.100 on December 4, 1996, at the following place: Front Steps at 305 Main, Klamath Falls, County of Klamath, State of Oregon, which is the hour, date and place fixed by the trustee for said sale.

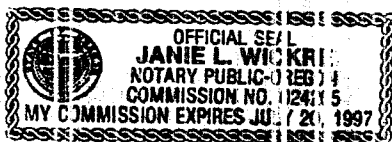
Other than as shown of record, neither the said beneficiary nor the said trustee has any actual notice of any person having or claiming to have any lien upon or interest in the real property hereinabove described subsequent to the interest of the trustee in the Trust Deed, or of any successor in interest to the grantor or of any lessee or other person in possession of or occupying the property, except: none

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 actually conducts 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 be due and 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.

Dated: July 1, 1996

STATE OF OREGON)
)
County of Jackson) **SS**

Janice L. Lusk
NOTARY PUBLIC FOR OREGON
My Commission Expires: 7/20/97



Filed for record at request of Klamath County, Title _____ the 3rd day
of July A.D., 1995 at 11:23 o'clock A M., and duly recorded in Vol. M96
of Mortgages on Page 19801.

By Bernetha G. Letsch, County Clerk