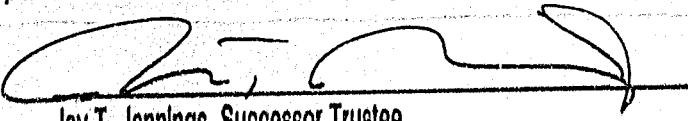


AFTER RECORDING RETURN TO: Evans, Freeby &amp; Jennings, 280 Court St. NE, Suite One, Salem, OR 97301

NOTICE OF DEFAULT AND ELECTION TO SELL  
Pursuant to ORS 86.735 et seq

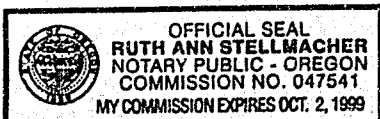
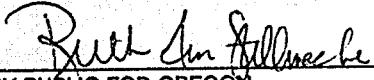
Pursuant to ORS 86.745, the following information is provided:

1. PARTIES: Vaughn Hergenrader and Diana Doreen Hergenrader, Grantors  
Ticor Title Insurance Company, Trustee; Jay T. Jennings, Successor Trustee  
Norwest Mortgage, Inc., Beneficiary
2. DESCRIPTION OF PROPERTY:  
Lots 15 and 16 in Block 3, Plat No. 1204, Little River Ranch, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon  
Tax Account No. 2309-2A-5900
3. RECORDING: The Trust Deed was recorded December 14, 1995, in Volume M95, at Page 34143, of the Mortgage Records of Klamath County, Oregon; Successor Trustee was appointed by instrument dated October 21, 1996, recorded in Klamath County Mortgage Records on October 22, 1996, in Volume M96, Page 33327.
4. DEFAULT: Grantor failed to pay delinquent installments of \$697.38 due June 1, 1996 through September 1, 1996 and adjusting to 696.38 due October 1, 1996, and the same amount due on the 1st day of each month thereafter; plus late charges accrued through September in the sum of \$123.72 and accruing thereafter at the rate of \$30.93 per month when payments are not received by the 15th.
5. AMOUNT DUE: Unpaid principal balance of \$84,013.35, plus interest thereon at 8.0% per annum from May 1, 1996 until paid; plus late charges accrued through September in the sum of \$123.72 and accruing thereafter at the rate of \$30.93 per month when payments are not received by the 15th; plus recoverable corporate and escrow advances accruing in the future.
6. ELECTION: Based on the default set forth herein, the Successor Trustee, at the direction of the Beneficiary, elects to sell the property to satisfy the obligation set forth above.
7. SALE: Date: March 24, 1997; Time: 11:00 o'clock, a.m.  
Place: On the front steps of the Klamath County Courthouse, located at 316 Main Street in the City of Klamath Falls, County of Klamath, State of Oregon.
8. RIGHT TO REINSTATE: Any person named in ORS 86.753 has the right to have the foreclosure 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 days before the date the Successor Trustee conducts the sale.

DATED this 10th day of November, 1996.
  
 Jay T. Jennings, Successor Trustee

STATE OF OREGON, County of Marlon )ss.

Personally appeared the above named Jay T. Jennings, Successor Trustee, and acknowledged the foregoing instrument to be his voluntary act and deed.


  
 NOTARY PUBLIC FOR OREGON  
 My Commission Expires: 10-2-99

Any questions regarding this matter should be directed to Ruth Ann Stellmacher, Legal Assistant, (503) 588-5670.

11.8.96 10:57  
wlf\2483-not.def

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Klamath County Title the 7th day  
of November A.D., 19 96 at 11:01 o'clock A. M., and duly recorded in Vol. M96  
of Mortgages on Page 35216.

FEE \$10.00

Bernetha G. Letsch, County Clerk  
By 