

NOTICE OF DEFAULT AND ELECTION TO SELL

Reference is made to that certain trust deed made by Douglas R. MacDuffee as Grantor, to Bend Title Company, an Oregon Corporation, as Trustee, in favor of Harold Elliot as beneficiary, dated January 12, 1995, recorded January 19, 1995 in the mortgage records of Klamath County, Oregon in Volume No. M95 at page No. 1260 covering the following described real property situated in the above-mentioned County and State, to wit:

Lot 11, 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.

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 situated; that no action has been instituted to recover the debt, or any part thereof, now remaining secured by the trust deed, or, if such action has been instituted, such action has been dismissed except as permitted by ORS 86.735(4).

There is a default by the grantor or other person owing an obligation, the performance of which is secured by the trust deed, or by the successor in interest, with respect to provisions therein which authorize sale in the event of default of such provisions; the default for which foreclosure is made is grantor's failure to pay when due the following sums: \$155.89 on January 9, 1997; \$155.89 on March 9, 1997; \$155.97 on April 9, 1997.

By reason of the default, the beneficiary has declared all sums owing on the obligation secured by the trust deed immediately due and payable, those sums being the following, to wit: \$17,750.00.

Notice is hereby given that the beneficiary and trustee, by reason of the default, have elected and do hereby elect to foreclose the trust deed by advertisement and sale pursuant to ORS 86.705 to 86.795, and to cause to be sold at public auction to the highest bidder for cash the interest in the described property which the grantor had, or had the power to convey, at the time of the execution by grantor of the trust deed, together with any interest the grantor or grantor's successor in interest acquired after the execution of the trust deed, to satisfy the obligation secured by the trust deed and the expenses of the sale, including the compensations of the trustee as provided by law, and the reasonable fees of trustee's attorneys.

The sale will be held at 9:00 a.m. in accord with the standard of time established by ORS 187.110 on October 17, 1997 at the following place: Oregon State Police Office, Gilchrist, Oregon, which is the hour, date and place last set for the sale.

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After recording return to:  
Dennis Fennell  
Attorney at Law  
1195 NW Wall Street  
Bend, OR 97701

14198

Other than as shown of record, neither the beneficiary nor the 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:

NAME AND LAST KNOWN ADDRESS  
None

NATURE OF RIGHT, LIEN OR INTEREST

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 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 the 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 ORS 86.753.

In construing this notice, 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 of which is secured by the trust deed, and the words 'trustee' and 'beneficiary' include their respective successors in interest, if any.

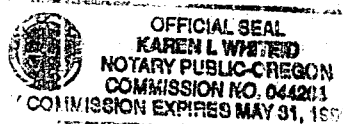
Dated: 5/7/97

STATE OF OREGON )  
 ) SS.  
County of Deschutes )

Dennis Fennell  
Dennis Fennell  
Successor Trustee

On May 7, 1997, personally appeared the above named Dennis Fennell and acknowledged the foregoing instrument to be his voluntary act. Before me:

Karen L. White  
Notary Public for Oregon



STATE OF OREGON : COUNTY OF KLAMATH: ss.

Filed for record at request of Dennis Fennell the 9th day  
of May A.D., 1997 at 10:57 o'clock A.M., and duly recorded in Vol. M97  
of Mortgages on Page 14197

FEE \$15.00

Bernetha G. Letsch, County Clerk  
by Kathleen Ross