

Notice of Default and Election to Sell

A default has occurred under the terms of a trust deed executed by IMJ CATTLE COMPANY, A PARTNERSHIP as Grantor, to ASPEN TITLE & ESCROW, INC. as Trustee, dated APRIL 21, 1995, and recorded MAY 2ND, 1995, in the official records of KLAMATH County, Oregon, in (as) VOLUME M95 PAGE 11374 with THE BANK OF CALIFORNIA, N.A. as the original Beneficiary, covering the following described real property:
 PARCEL 1: THE E 1/2 SE 1/4 OF SECTION 8
 PARCEL 2: THE E 1/2 NE 1/4 OF SECTION 8
 (FOR THE COMPLETE LEGAL DESCRIPTION SEE EXHIBIT "A" ATTACHED HERETO AND MADE APART HEREOF) MAP NO. 3307-V0000TL-1800, 1500, 200 AND 300
 3307-V0900TL-200 AND 300

Forrest N. A. Bacci, Successor Trustee, hereby gives Notice that:

1. The default for which the Beneficiary hereby declares the obligation secured by said Trust Deed immediately due and payable, and for which said Trust Deed authorizes sale of the property, is the failure of Grantor or Grantor's successor in interest to: MAKE PAYMENT OF THE PRINCIPAL & INTEREST REQUIRED UNDER THE NOTE, CREDIT AGREEMENT, AND GUARANTIES, WHEN THE NOTE BECAME DUE IN FULL ON DEC. 15, 1995, WITH INTEREST ACCRUING FROM 5-30-97, PAY ATTORNEY FEES INCURRED BY THE BENEFICIARY TO PROTECT THE SECURITY AND ANY FURTHER BREACH OF ANY TERM OR CONDITION CONTAINED IN THE NOTE, DEED OF TRUST, CREDIT AGREEMENT AND GUARANTIES.

2. The principal balance and other sums now due and owing are as follows: \$ 224,318.50 PLUS ACCRUED INTEREST AT THE RATE OF 5 % PER ANNUM FROM 5-30-97 AND CONTINUING UNTIL PAID, PLUS ALL ACCRUED LATE CHARGES, TRUSTEE'S FEES, FORECLOSURE COSTS, AND ANY SUMS ADVANCED BY THE BENEFICIARY PURSUANT TO THE TERMS OF THE TRUST DEED.

3. Beneficiary, by reason of this default, hereby elects to foreclose this Trust Deed in the manner provided in ORS 86.705 to 86.795, and to cause to be sold at public auction to the highest bidder for cash the interest in said described property which Grantor had or had power to convey at the time of the execution of the Trust Deed and any interest which 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 a trustee's fee as provided by law, and the reasonable fees of Trustee's attorneys.

4. The sale of the property will be at the hour of 11:00 o'clock, (AM) standard of time established by ORS 187.110, on 12-31, 1997 at THE KLAMATH COUNTY COURTHOUSE, 316 MAIN ST. KLAMATH FALLS, OREGON.

the City of KLAMATH FALLS, County of KLAMATH, in the State of Oregon.

5. The Grantor or any person named in ORS 86.753 has the right at any time prior to five days before the date last set for the Trustee's sale to pay to the beneficiary the entire amount then due, other than such portion of the principal as would not then be due had no default occurred, together with all costs and expenses actually incurred in enforcing the obligation and Trust Deed, and statutory trustee's and attorney's fees, and to cure any other default listed above and any other default under the obligation or Trust Deed that may have occurred subsequent to the recording date hereon and to require that the foreclosure proceeding be dismissed and the Trust Deed reinstated.

Dated: 8/20/97

Forrest N. A. Bacci
 FORREST N. A. BACCI, TRUSTEE

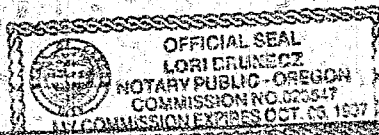
STATE OF OREGON
 COUNTY OF MULTNOMAH

} s.s.

On 8/20/97, before me the undersigned, a Notary Public, in and for said County and State, personally appeared FORREST N. A. BACCI personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument

In Witness Whereof I have hereunto set my hand and official seal.

Gari Brunley
 Notary Public for the State of Oregon



FOR INFORMATION CONTACT:
 Peelle Financial Corporation 197 East Hamilton Avenue, Campbell, CA (408) 580-8868

After Recording Return to:
 Peelle Financial Corporation
 197 East Hamilton Avenue
 Campbell, CA 95008

FFC # 26138-18 Loan # 673-127-0720

ORD25a C71960NDD-BACCI

97 AUG 22 P 3:01

EXHIBIT I continued

EXHIBIT "A"
DESCRIPTION OF PROPERTY

PARCEL 1:

The E $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 8; and the SW $\frac{1}{4}$ and Lots 3 and 4 of Section 9, Township 33 South, Range 7 $\frac{1}{2}$ East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 2:

The E $\frac{1}{2}$ of the NE $\frac{1}{4}$ of Section 8, Township 33 South, Range 7 $\frac{1}{2}$ East of the Willamette Meridian, Klamath County, Oregon.

Government Lots 1 and 2 of Section 9, Township 33 South, Range 7 $\frac{1}{2}$ East of the Willamette Meridian, Klamath County, Oregon.

The W $\frac{1}{2}$ of the NW $\frac{1}{4}$ of Section 9, Township 33 South, Range 7 $\frac{1}{2}$ East of the Willamette Meridian, Klamath County, Oregon.

LESS AND EXCEPT that portion deeded to the State of Oregon, by and through its Department of Transportation, recorded October 8, 1991 in Book M91, page 30911, Deed records of Klamath County, Oregon.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Klamath County Title the 22nd day
of August A.D., 19 97 at 3:01 o'clock P. M., and duly recorded in Vol. M97
of Mortgages on Page 27617.

FEE \$15.00

By Bernetha G. Leisch, County Clerk
Kathleen Ross