

NOTICE OF DEFAULT AND ELECTION TO SELL

Reference is made to that certain trust deed made by MARCIANO LACBAIN and ZORAIDA LACBAIN, husband and wife, as to an undivided 1/2 interest; BENJAMIN CAPILI and PEREGRINA CAPILI, Husband and Wife, as to an undivided 1/2 interest, as tenants in common, are the grantors, and MOUNTAIN TITLE COMPANY is the trustee, and SHAMROCK DEVELOPMENT COMPANY, an Oregon Corporation, is the beneficiary under that certain trust deed dated August 23, 1989, and recorded October 9, 1989, in Volume No. M89 page 19061, Mortgage Records of Klamath County, Oregon. The beneficial interest was assigned by instrument dated September 11, 1989, recorded October 9, 1989, at Volume M89, page 19066, Microfilm Records of Klamath County, Oregon from Shamrock Development Company to Kerry S. Penn dba Eli Property Company, and reassigned from Kerry S. Penn dba Eli Property Co. to Shamrock Development Company, an Oregon Corporation, such reassignment recorded at Vol. M97 Page 12624, covering the following described real property situated in said county and state, to-wit:

Lot 3 in Block 7 of TRACT 1083, CEDAR TRAILS, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.
Tax Account No. 4008 020A0 02500.

Both the beneficiary and the trustee have elected to sell the said real property to satisfy the obligations secured by said trust deed and a notice of default has been recorded pursuant to Oregon Revised Statutes 86.735(3); the default of which the foreclosure is made is grantor's failure to pay when due the following sums:

Monthly payments in the amount of \$222.29 due on October 9, 1997, and each and every month thereafter, plus taxes for a portion of the fiscal year 1996-97 and for the fiscal year 1997-98 in the amount of \$211.88 plus interest. Account No. 4008-020A0-02500.

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:

\$15,620.63 plus interest at the rate of \$4.1901 per diem from 12/5/97, plus taxes for a portion of the fiscal year 1996-97 and for the fiscal year 1997-98 in the amount of \$211.88 plus interest. Account No. 4008-020A0-02500.

WHEREFORE, notice hereby is given that the undersigned trustee will on July 29, 1998, at the hour of 10:00 o'clock, A.M., in accordance with the standard of time established by ORS 187.110, at front steps of Klamath Falls Post Office, 317 South Seventh Street, in the City of Klamath Falls, County of Klamath, State of Oregon, sell at public auction to the highest bidder for cash the interest in the said described real property which the grantor had or had power to convey at the time of the execution by him of the said trust deed, together with any interest which the grantor or his successors in interest acquired after the execution of said trust deed, to satisfy the foregoing obligations thereby secured and the costs and expenses of sale, including a reasonable charge by the trustee. 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 to be due had no default occurred) and by curing any other default complained of herein that is capable of

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being cured by tendering the performance required under the obligation or trust deed, and in addition to paying said sums of 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 ORS 86.753.

In construing this notice, the masculine gender includes the feminine and the neuter, 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 which is secured by said trust deed, and the words "trustee" and "beneficiary" include their respective successors in interest, if any.

DATED: March 17, 1998

[Signature]
Successor Trustee

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Rx Richard Fairclo
Attorney at Law
280 Main Street
Klamath Falls OR 97601

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Richard Fairclo the 18th day
of March A.D., 19 98 at 9:35 o'clock A.M., and duly recorded in Vol. M98
of Mortgages on Page 8626

FEE \$15.00

By [Signature] Bernetha G. Letsch, County Clerk