

NOTICE OF DEFAULT AND ELECTION TO SELL
K52216

Reference is made to that certain Note and Trust Deed made, executed and delivered by Bradley Scott Heppner, as Grantor, to Klamath County Title Company, as Trustee, and James K. Johnson, DMD, P.C., Pension and Profit Sharing Trust, as Beneficiary, dated April 9, 1996, recorded April 9, 1996, in Volume M96 of the Official Mortgage Records of Klamath County, Page 9960, in the Official Records of Klamath County, Oregon, covering the following described real property located in Klamath County, Oregon:

Lot 3, 18 and 19, Block 3, Woodland Park, according to the official plat thereof on file in the office of the County Clerk, Klamath County, Oregon.

Together with the following described parcel which should be included in the forthcoming conveyance, but will not be included in the insurance hereunder:

TOGETHER with an undivided 3/80th interest in the following described land, 2 parcels situated in Lots 1 and 2, Section 15, Township 34 South, Range 7 East of the Willamette Meridian, and being more particularly described as follows:

PARCEL 1: Beginning at the Northwest corner of said Section 15, Township 34 South, Range 7 East of the Willamette Meridian, and running thence along the North line of said section, North 89°42'15" East 400 feet; thence South 62.42 feet; thence South 46°57'20" West 408.82 feet to the Northeasterly bank of the Williamson River; thence following said river bank North 37°53'20" West 136.90 feet; thence North 16°33' West 60.98 feet to the West line of Section 15; thence Northerly on said section line 172.92 feet to the point of beginning.

PARCEL 2: Beginning at the Northwest corner of Section 15, Township 34 South, Range 7 East of the Willamette Meridian, and running thence North 89°42'15" East 400.0 feet along the North line of said Section 15; thence South 62.42 feet; thence South 50°43'50" East 453.16 feet; thence South 76°17'30" East 886.79 feet to the true point of beginning of this description; thence South 35°56'30" West 446.55 feet to a point on the Northeasterly bank of Williamson River; thence South 45°32'20" East 84.00 feet; thence North 44°52'10" East 411.58 feet; thence North 34°25'40" West 156.01 feet, more or less, to the true point of beginning of this description.

The Note and Trust Deed are now delinquent. The default for which foreclosure is made is Grantor's failure to comply with the terms and conditions set out in the Note and Trust Deed as follows:

1. Failure to pay the monthly installments beginning with the month of April, 1997, and all subsequent installments.
2. Failure to pay and failure to furnish proof that the real property taxes are current.
3. Failure to pay and failure to furnish proof that the real property is insured.

By reason of said default, the Beneficiary has declared all sums owing on the obligation secured by said Trust Deed immediately due and collectible. Said sums being the following:

The sum of Thirty-Five Thousand Dollars (\$35,000.00), together with interest thereon at the rate of fifteen percent (15%) per annum from March 16, 1997, until paid, together with the beneficiary's collection costs, attorney's fees and other costs advanced.

NOTICE IS HEREBY GIVEN that the Beneficiary and Trustee, by reason of said defaults, have elected, and do hereby elect to foreclose said Trust Deed by advertisement and sale pursuant to Oregon Revised Statutes, Section 86.705 to 86.795 and do cause to be sold at public auction to the highest bidder for cash, the interest in the said described property which Grantor had, or had the power to convey, at the time of the execution by them of the Trust Deed, together with any interest Grantors or their successors in interest acquired after the execution of the Trust Deed to satisfy the obligation 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.

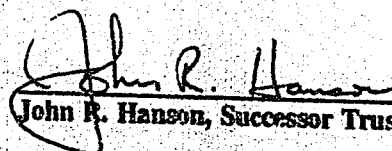
Said sale shall be held at the hour 10:00 a.m. standard time, as established by Section 187.110 of Oregon Revised Statutes on August 28, 1998, on the front steps of the United States Post Office, 317 South 7th Street, Klamath Falls, Klamath County, Oregon, 97601, which is the hour, date and place fixed 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 above described real property subsequent to the interest of Trustee and Trust Deed, or of any successor in interest to Grantors or of any lessee or any other person in possession of or occupying the property.

NOTICE IS FURTHER GIVEN that any person named in Section 86.753 of the Oregon Revised Statutes has the right, at any time prior to five (5) days before the Trustee 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, and by curing any other default complained of herein that is capable by 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 the Trustee's fees and attorney's fees, not exceeding the amounts provided by Section 86.753 of the Oregon Revised Statutes.

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 grantor, as well as any other person owing an obligation, the performance of which is secured by said Trust Deed, and the words "trustee" and "beneficiary" include the respective successors in interest, if any.

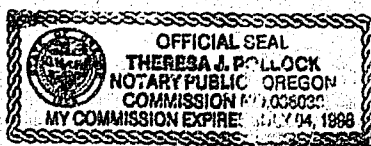
DATED this 30 day of March, 1998.


John R. Hanson, Successor Trustee

10860

STATE OF OREGON)
) ss.
 County of Jackson)

On this 30th day of March, 1998, before me personally appeared John R. Hanson, Successor Trustee, and acknowledged the foregoing instrument to be his voluntary act and deed.



Theresa J. Pollock
 Notary Public for Oregon
 My Commission Expires: 7/4/98

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of First American Title the 3rd day
 of April A.D., 19 98 at 11:12 o'clock A. M., and duly recorded in Vol. M98
 of Mortgages on Page 10857

FEE \$25.00

By Bernetha G. Letsch, County Clerk
Kathleen Rose