



NOTICE OF DEFAULT AND ELECTION TO SELL

With Reference to the following described deed of trust:

Dated: 5/9/97
 Grantor: Edward Tanem, an unmarried man
 Original Beneficiary: Merton J. Murphy and Morton James Murphy, JR., Co-Trustees FBOTrust B-Murphy Family Trust dated 7/15/80
 Trustee: Klamath County Title Company
 Successor Trustee: Pacific Equities Group, Inc.
 Recorded on: 5/14/97
 Recording Data: Vol. 1997 Page 14702
 Property Covered: See Exhibit "A" attached hereto

The Trustee 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, further, 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 law.

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 in such trust deed which authorize sale in the event of default of such provision. The default for which foreclosure is made is grantor's failure to pay when due the following sums:

The sum of \$1,575.00 representing the following monthly installments: \$525.00 due on 8/13/98, \$525.00 due on 9/13/98, \$525.00 due on 10/13/98; together with a late charge of \$52.50 per month beginning with the month of 8/23/98 and alike amount each month thereafter until paid,

and, in addition thereto, any and all sums, costs and fees paid or incurred by the beneficiary for the protection of the property and, in addition those incurred in the foreclosure proceeding including, without limitation, title expenses, recording fees, service fees, trustee fees, legal fees, and costs associated therewith.

By reason of the default, the beneficiary has declared all sums owing on the obligation secured by the trust deed immediately due and payable. The total sums owing on the obligation are:

The sum of \$42,000.00 together with interest thereon at the rate of 15% per annum from 7/13/98 until paid,

and, in addition thereto, any and all sums, costs and fees paid or incurred by the beneficiary for the protection of the property and, in addition those incurred in the foreclosure proceeding including, without limitation, title expenses, recording fees, service fees, trustee fees, legal fees, and costs associated therewith.

Notice hereby is 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

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PEG - 152.96

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Regarding the Trust Deed wherein,
 Edward Tanem, an unmarried man
 is the Grantor,

Pacific Equities Group, Inc.

is the Successor Trustee, and

Morton J. Murphy and Morton James Murphy, JR., Co-Trustees FBOTrust B-Murphy Family Trust dated 7/15/80
 is the Beneficiary.

Reserved For County Recording Label

AFTER RECORDING, RETURN TO:
 Pacific Equities Group, Inc.
 16016 S. W. Boones Ferry Road
 Lake Oswego, Or 97035

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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 obligations secured by the trust deed and the expenses of the sale, including the compensations of the trust deed as provided by law, and the reasonable fees of trustee's attorneys.

The date, time (based on the standard of time established by ORS 187.110) and place of sale, which is the time, date and place last set for the sale, are as follows:

Date: 3/24/99
Time: 10:00 AM
Address: Main entrance of the Klamath County Courthouse, 316 Main Street
City: Klamath Falls
County: Klamath
State: Oregon

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:

Linda J. Erickson as Personal Representative for the Estate of Edward Tanem PO Box 196 Keno, OR. 97624

Notice is hereby given that any person or entity named in ORS 86.735 has the right, at any time prior to five days before the date last set for 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" included 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: 11/10/98

PACIFIC EQUITIES GROUP, INC.
Trustee

By: Frances A. Heap
Authorized Representative

State of Oregon)
) ss.
County of Clackamas)



This instrument was acknowledged before me on Nov. 10, 1998
by Frances A. Heap as authorized representative of Pacific Equities Group, Inc.

Tanya S. Emerson
Notary Public for Oregon
My Commission Expires: 6/22/2002

14758

41232

EXHIBIT "A"
DESCRIPTION OF PROPERTY

A portion of Lots 15 and 16 in Block 30 of FIFTH ADDITION TO KLAMATH RIVER ACRES, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon, as defined by Lot Line Adjustment 2-92, more particularly described as follows:

Beginning at the Northeast corner of said Lot 15, thence along the Easterly line of Lot 15 South 00°05'24" West 108.00 feet; thence South 75°53'56" West 179.48 feet to a point on the Westerly line of Lot 16; thence North 00°05'24" East 152.00 feet to the Northwest corner of Lot 15; thence South 89°54'36" East 174.00 feet to the point of beginning.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Klamath County Title day
of May A.D. 1997 at 10:57 o'clock A.M. and duly recorded in Vol. 14758
of Mortgages on Page 14752

FEE \$40.00

INDEXED

by Bernetha G. Letsch



STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Amerititle the 12th day
of November A.D. 1998 at 11:14 o'clock A.M. and duly recorded in Vol. M98
of Mortgages on Page 41230

FEE \$20.00

By Bernetha G. Letsch County Clerk

TOTAL P. 89