

NOTICE OF DEFAULT AND ELECTION TO SELL

Edmond Andersch and Barbara Andersch, as Grantors, made, executed, and delivered to Gordon R. Hanna, Trustee, in favor of Elizabeth Ig' and David Ig', as Beneficiaries, that certain trust deed dated October 10, 1996 and recorded October 11, 1996, in Volume M96, Page 323-44, of the Records of Klamath County, Oregon, covering the following described real property situated in said County and State:

Lots Nine through Fifteen (9-15), Block Six (6), Second Hot Springs Addition to the City of Klamath Falls, 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 in which the above-described real property is situate, and that the Beneficiary is the owner and holder of the obligations, the performance of which is secured by said trust deed; further, that no action, suit, or proceeding has been instituted to recover the debt, or any part thereof, now remaining secured by the said trust deed, or, if such action or proceeding has been instituted, such action or proceeding has been dismissed except as permitted by ORS 86.735(4).

There is a default by the Grantor or other person owing the obligations, the performance of which is secured by said trust deed, with respect to provisions therein 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 monthly installments according to the terms of her promissory note, secured by the trust deed described above as follows:

Monthly Payments in the amount of \$2,281.69 each, from June 1998 to April 1999 (11 X \$2,281.69 = \$25,098.59).

By power given the Beneficiary under said Trust Deed, Beneficiary herewith declares all sums due under said Trust Deed to be immediately due, owing, and payable without further demand and hereby invokes his power of sale and any other remedies permitted by applicable law.

The true amount due and owing the Beneficiary by the Grantor herein is as follows:

\$220,000.00	Principal
\$60,039.12	Accrued interest to April 1, 1999
\$280,039.12	Total due as of April 1, 1999 (interest accrues on the principal from April 1, 1999 at the rate of 10% per annum)

Notice is hereby given that the undersigned, by reason of said default, has elected and he hereby does elect to foreclose said 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 said described property which the Grantor had, or had the power to convey, at the time of the execution by her of the trust deed, together with any interest the Grantor or her 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 reasonable charge by the Trustee as provided by law, and the reasonable fees of Trustee's attorneys.

SALE of the above-described real property shall be held on **TUESDAY, AUGUST 31, 1999**, at 11:00 o'clock a.m., Standard Time, on the front steps of the **KLAMATH COUNTY COURTHOUSE**, Klamath

After Recording Return To:
Gordon Hanna, P.C.
PO Box 4591
Salem, OR 97302

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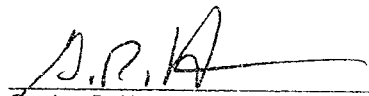
Falls, Oregon, which is the hour, date, and place fixed by the Trustee for said sale, as established by ORS 187.110.

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 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.

Notice is further given that any person named in ORS 86.753 has the right to have the foreclosure proceeding dismissed and the trust deed reinstated by payment of the entire amount due (other than such portion of said principal as would not then be due had not default occurred), together with costs, trustee's and attorney's fees not exceeding the amounts provided by ORS 86.753, at any time prior to five (5) days before the date set for said sale.

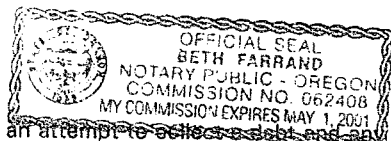
In construing this notice and whenever the context hereof so requires, the masculine gender includes the feminine and the neuter, the singular includes the plural, the word "Grantor" includes any successor in interest to the Grantor as well as each and all other persons owing an obligation, the performance of which is secured by said trust deed, the word "Trustee" includes any successor trustee, and the word "Beneficiary" includes any successor in interest of the Beneficiary first named above.

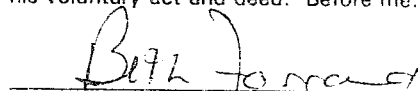
DATED this 9 day of April, 1999.


Gordon R. Hanna, Trustee

STATE OF OREGON)
) ss.
County of Marion)

On this 9TH day of April, 1999, personally appeared the above-named Gordon R. Hanna and acknowledged the foregoing instrument to be his voluntary act and deed. Before me:




Notary Public for Oregon

This is an attempt to collect a debt and any information obtained will be used for that purpose.
GRH:bl
p:\c\gordan\trns\etl

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STATE OF OREGON - COUNTY OF KLAMATH: ss.

Filed for record at request of Aspen Title & Escrow the 12TH day
of APRIL A.D., 1999 at 11:27 o'clock A M., and duly recorded in Vol. M99
of Mortgages on Page 12916

FEE \$35.00

Linda Smith, County Clerk
by 