

After recording, return to:  
 Robert J. Foltyn  
 514 Walnut Avenue  
 Klamath Falls OR 97601

# NOTICE OF DEFAULT AND ELECTION TO SELL

Pursuant to ORS 86.705-795, the undersigned Trustee and the Beneficiary have elected to foreclose the following described Trust Deed in the manner provided by said statute.

1. The names of the Grantor, Trustee and Beneficiary named in the subject Trust Deed are:

- A. Grantor: Michael W. Mattingly
- B. Trustee: Robert J. Foltyn (Successor to First American Title Company)
- C. Beneficiary: Highland Community Federal Credit Union

2. The legal description of the property covered by the subject Trust Deed is:

An undivided Twenty-five percent (25%) interest in Unit 6 of Stage II of THE RIDGE CONDOMINIUMS, a condominium, being a replat of a portion of 'Tract A' of MOUNTAIN VILLAGE EAST V, Deschutes County, Oregon, together with an undivided interest in and to the common elements appertaining to said units as set forth in Condominium Declaration for Stage II of The Ridge Condominium, a Staged Condominium recorded February 8, 1989 in Book 178 at Page 1752 of Deschutes County Official Records, as it appertains to a tract of land situate within a portion of 'Tract A' of MOUNTAIN VILLAGE EAST V, Deschutes County, Oregon, as described in said Declaration, which Declaration is incorporated herein by reference and made a part hereof as if fully set forth herein.

The book, page number, and the date the subject Trust Deed was recorded in the Mortgage Records of Deschutes County, Oregon are:

Book: 270

Page: 0688

Date Recorded: July 6, 1992

4. The default for which the foreclosure is made is the Grantor's failure to pay monthly installments before they became delinquent in the note amount of \$482.16 each since December 1, 1997, for a total of \$8,189.23, plus interest at the note rate of 10.5% per annum from December 7, 1997, in the amount of \$3,926.18, and late penalties in the amount of \$154.14.

5. As of this date, the sum owing on the obligation secured by the subject Trust Deed is the principal and interest amount of \$32,065.31, plus interest at the note rate of ten and one-half percent (10.5%) per annum from April 10, 1999 until paid, and late penalty fees of \$154.14.

6. The Beneficiary and the Trustee have elected to foreclose the above referenced Trust Deed pursuant to the provisions of Oregon Revised Statutes 86.705 to 86.795.

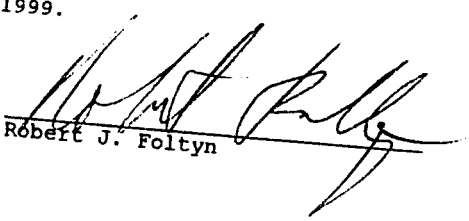
21359

7. The Trustee will conduct a sale of the above described property at 10:15 a.m. on the 15th day of October, 1999, at the front steps of the Deschutes County Courthouse, 1164 NW Bond, Bend, Oregon.

8. Pursuant to ORS 86.753, the Grantor, the Grantor's successor in interest to all or any part of the above described property, any beneficiary under a subordinate Trust Deed, or any person having a subordinate lien or encumbrance of record on the property, may cure the default or defaults at any time prior to five days before the above said date of sale by paying the entire amount due at the time of cure under the terms of the obligation, other than such portion as would not then be due had no default occurred. In addition, the person affecting the cure shall pay all costs and expenses actually incurred in enforcing the obligation and Trust Deed, together with the Trustee's and Attorney's fees specified in the said statute.

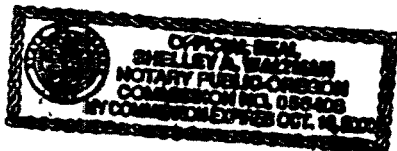
In construing this instrument, the masculine gender includes the feminine and the neuter, the singular includes the plural, the word "grantor" includes any successor in interest to the grantor as well as any other persons owing an obligation, the performance of which is secured by said Trust Deed, the words "trustee" and "beneficiary" include their respective successors in interest, if any.

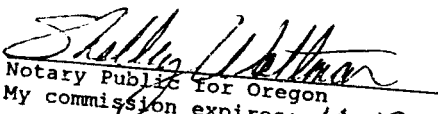
Dated this 27 day of May, 1999.

  
Robert J. Foltyn


STATE OF OREGON )  
County of Klamath ) ss

Personally appeared this 27 day of May, 1999, the above named Robert J. Foltyn, Trustee, and acknowledged the foregoing instrument to be his voluntary act and deed.



  
Notary Public for Oregon  
My commission expires: 10-12-00

State of Oregon, County of Klamath  
Recorded 5/28/99, at 3:29 p.m.  
In Vol. M99 Page 21358  
Linda Smith, County Clerk  
Fee \$ 15-

  
Linda Smith.