

NOTICE OF DEFAULT AND ELECTION TO SELL

Reference is made to that certain trust deed made by KATHY A. BETTIOL, is Grantor, KLAMATH COUNTY TITLE COMPANY, is Trustee, in favor of CHARLENE A. SKELLHAM as Beneficiary, on that certain trust deed dated October 1, 1996, recorded October 9, 1996, in the Mortgage Records of Klamath County, Oregon in Vol. M96, page 32093, covering the following-described real property.

Lot 24 and Lot 28, Block 45, Klamath Falls Forest Estates, Highway 66 Unit, Plat #2, according to the official plat thereof on file in the office of the County Clerk, Klamath County, Oregon.

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:

Payments in the amount of \$175.30 due and payable on December 2, 1996, and each and every month thereafter, plus interest in the amount of 12.5 percent per annum from November 2, 1996.

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:

\$21,150.68 plus interest at the rate of \$5.48 per diem from June 1, 1999.

WHEREFORE, notice hereby is given that the undersigned trustee will on November 3, 1999, at the hour of 10:00 o'clock, A.M., in accord with the standard of time established by ORS 187.110, at Government Center, front steps, 305 Main 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 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.

We are attempting to collect a debt and any information we obtain will be used for that purpose. The debt described in the Notice of Sale is assumed to be valid unless debtor disputes within 30 days and that, if disputed, debt collector will obtain and furnish to debtor the verification. If written request is made within 30 days by debtor, name of original lender will be given if different than the current creditor.

NOTICE OF DEFAULT
AND ELECTION TO SELL
Page -1-

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

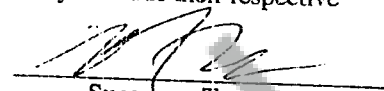
23034

Written requests should be addressed to:
280 Main Street, Klamath Falls OR 97601.

Richard Fairclo, Attorney at Law,

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: June 10, 1994


Successor Trustee

NOTICE OF DEFAULT
AND ELECTION TO SELL
Page -2-

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

AFFIDAVIT OF MAILING TRUSTEE'S NOTICE OF SALE

STATE OF OREGON

County of Klamath

} ss.

I, RICHARD FAIRCLO, being duly sworn, depose and say and certify that:

At all times hereinafter mentioned I was and am now a resident of the State of Oregon, a competent person over the age of eighteen years and not the beneficiary or his successor of interest named in the foregoing original notice of sale given under the terms of that certain trust deed described in said notice.

I gave notice of the sale of the real property described in the foregoing notice of sale by mailing a copy thereof by both first class and certified mail with return receipt requested to each of the following named persons at their respective last known addresses, to-wit:

Kathy A. Bettio
611 Klamath Avenue, Suite 124
Klamath Falls OR 97601

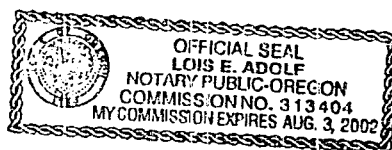
Said persons include (a) the grantor in the trust deed, (b) any successor interest to the grantor whose interest appears of record or of whose interest the trustee or the beneficiary has actual notice (c) any person, including the Department of Revenue or any other state agency, having a lien or interest, subsequent to the trust deed if the lien or interest appears of record of the beneficiary has actual notice of the lien or interest, and (d) any person request notice, as required by ORS 86.785.

Each of the notices so mailed was certified to be true copy of the original notice of sale by RICHARD FAIRCLO, attorney for the trustee named in said notice; each such copy was contained in a sealed envelope, with postage thereon fully prepaid, and was deposited by me in the United States Post Office at Klamath Falls, Oregon, on June 11, 1999, as mailed with a proper form to request and obtain a return receipt and postage thereon in the amount sufficient to accomplish the same. Each of said notices was mailed after the notice of default and election to sell described in said notice of sale was recorded.

As used herein, the singular includes the plural, trustee includes successor trustee, and person includes corporation and any other legal or commercial entity.

SUBSCRIBED AND SWORN to before me this 11 day of June, 1999.

Lois E. Adolf
Notary Public of Oregon
My Commission expires:



State of Oregon, County of Klamath
Recorded 6/11/99, at 9:01 a.m.
In Vol. M99 Page 23033
Linda Smith,
County Clerk

Fee \$ 20 - 00