

NOTICE OF DEFAULT AND ELECTION TO SELL

Reference is made to that certain trust deed made by AVEL L. MERCADO and CLARITA M. SILVA, or the Survivor, as Grantor, to MOUNTAIN TITLE COMPANY OF KLAMATH COUNTY, as Trustee, in favor of SHAMROCK DEVELOPMENT COMPANY, an Oregon corporation, as Beneficiary, dated May 14, 1990, recorded June 4, 1990, in the Microfilm Records of Klamath County, Oregon in Vol. M90, page 10670, the beneficial interest under said Trust Deed was assigned by instrument dated June 1, 1990, recorded June 4, 1990, in Volume M90, page 10672, Microfilm Records of Klamath County, Oregon from Shamrock Development Company, an Oregon corporation, to Shamrock Development Company, an Oregon Corporation as to 50% interest and Kerry S. Penn dba Eli Property Company as to 50% interest; and reassigned from Kerry S. Penn dba Eli Property Company to Shamrock Development Company, an Oregon corporation, by instrument dated October 1, 1999, recorded at Volume M99, page 39640, covering the following described real property situated in said county and state, to-wit:

Lot 7 in Block 3, TRACT NO. 1083, CEDAR TRAILS, according to the official plat thereof on file in the office of the County Clerk of 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 \$202.50 due on February 2, 1999, and each and every month thereafter, plus interest in the amount of \$1,189.83, plus interest in the amount of \$4.9555 per diem from October 1, 1999, plus real estate taxes for the fiscal year 1999-2000, a lien not yet due and payable, Account No. 4008 020BO 03600; Key No. 624630.

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:

\$21,532.70, plus interest in the amount of \$4.9555 per diem from October 1, 1999, plus real estate taxes for the fiscal year 1999-2000, a lien not yet due and payable, Account No. 4008 020BO 03600; Key No. 624630.

WHEREFORE, notice hereby is given that the undersigned trustee will on March 1, 2000, at the hour of 10:00 o'clock, A.M., in accord with the standard of time established by ORS 187.110, at Klamath County Courthouse, 315 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

NOTICE OF DEFAULT
AND ELECTION TO SELL
Page -1-

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

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.


NOTICE REQUIRED BY THE FAIR DEBT COLLECTION PRACTICES ACT
15 USC SECTION 1692

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.

WRITTEN REQUESTS SHOULD BE ADDRESSED TO: RICHARD FAIRCLO, ATTORNEY AT LAW, 280 MAIN STREET, KLAMATH FALLS OR 97601.

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: October 20, 1999


Richard Fairclo
Successor Trustee

AFFIDAVIT OF MAILING TRUSTEE'S NOTICE OF SALE

STATE OF OREGON]
] ss.
 County of Klamath]

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 attached 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 attached 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:

Avel L. Mercado
 13340 3/4 Village Drive
 Cerritos CA 90703

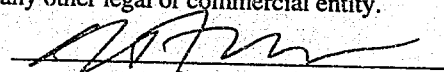
Clarita M. Silva
 11863 Gladstone Avenue
 Lakeview Terrace CA 91342

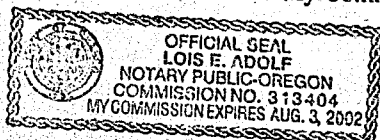
Said persons include (a) the grantor in the trust deed, (b) any successor in interest to the grantor whose interest appears of record or of whose interest the trustee or the beneficiary has actual notice (c) any person, including the Department of Revenue or any other state agency, having a lien or interest, 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 October 20 1999, as mailed with a proper form to request and obtain a return receipt and postage thereon i 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 20 day of October, 1999.


 Notary Public of Oregon
 My Commission expires:



TRUSTEE'S AFFIDAVIT AS TO NON-OCCUPANCY

STATE OF OREGON }
 } ss.
 County of Klamath }

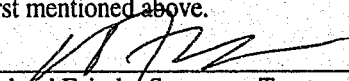
I, RICHARD FAIRCLO, being first duly sworn, depose, say and certify that:

I am Successor Trustee in that certain trust deed executed and delivered by AVEL L. MERCADO and CLARITA M. SILVA, or the Survivor, as Grantor, to MOUNTAIN TITLE COMPANY OF KLAMATH COUNTY, as Trustee, in favor of SHAMROCK DEVELOPMENT COMPANY, an Oregon corporation, as Beneficiary, dated May 14, 1990, recorded June 4, 1990, in the Microfilm Records of Klamath County, Oregon in Vol. M90, page 10670, the beneficial interest under said Trust Deed was assigned by instrument dated June 1, 1990, recorded June 4, 1990, in Volume M90, page 10672, Microfilm Records of Klamath County, Oregon from Shamrock Development Company, an Oregon corporation, to Shamrock Development Company, an Oregon Corporation as to 50% interest and Kerry S. Penn dba Eli Property Company as to 50% interest; and reassigned from Kerry S. Penn dba Eli Property Company to Shamrock Development Company, an Oregon corporation, by instrument dated October 1, 1999, recorded at Volume M99, page 39640, covering the following described real property situated in said county and state, to-wit:

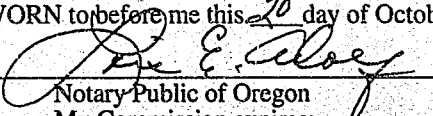
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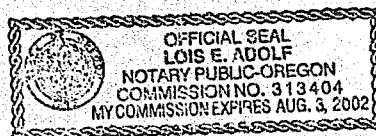
I hereby certify that on October 20, 1999, the above described real property was not occupied.

The word "trustee" as used in this affidavit means any successor-trustee to the trustee named in the trust deed first mentioned above.


 Richard Fairclo, Successor Trustee

SUBSCRIBED AND SWORN to before me this 20th day of October, 1999.


 Notary Public of Oregon
 My Commission expires:



Trustee's Affidavit
 As To Non-Occupancy

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

State of Oregon, County of Klamath
 Recorded 10/20/99, at 2:48 p. m.
 In Vol. M99 Page 41754
 Linda Smith,
 County Clerk Fee \$ 25.00