

NOTICE OF DEFAULT AND ELECTION TO SELL	
RE: Trust Deed from Thomas E. Jones	Grantor
to Paul S. Cosgrove, Esq.	Trustee
AFTER RECORDING RETURN TO:	
Paul S. Cosgrove Lindsay, Hart, Neil & Weigler LLP 1300 SW Fifth, Suite 3400 Portland, OR 97201	
65009-149	

PAUL S. COSGROVE, SUCCESSOR TRUSTEE, HEREBY GIVES NOTICE OF DEFAULT AND ELECTION TO SELL:
Reference is made to that certain trust deed made by Thomas E. Jones, as grantor, to AmeriTitle as trustee, in favor of Associates Financial Services Company of Oregon, Inc., as beneficiary, dated March 2, 1998, recorded March 18, 1998 in the mortgage records of Klamath County, Oregon, in book M-98 at page 8725 as recorder's fee no. 54863, covering the following described real property situated in said county and state, to-wit:

See Attached Exhibit 'A'

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 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 ORS 86.735(4).

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 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 following sums:

Monthly payments for May 1999 through October 1999, in the amount of \$5,899.74 plus real property taxes for 1998-99. Grantor might be delinquent on other taxes, assessments and municipal liens at this time.

By reason of the default, the beneficiary has declared all sums owing on the obligation secured by the trust deed immediately due and payable, those sums being the following, to-wit:

As of May 10, 1999 the principal sum of \$86,487.26 plus interest thereafter; plus any sums advanced by the beneficiary or beneficiary's successor in interest for the protection of the above described property, plus attorney and trustee's fees incurred by reason of said default.

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 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 trustee as provided by law, and the reasonable fees of trustee's attorneys.

The sale will be held at the hour of 11:00 a.m. in accord with the standard of time established by ORS 187.110 on March 2, 2000, at the following place: at the center entrance to the Post Office Building also known as the Federal Building, 317 South 7th Street, in the City of Klamath Falls, County of Klamath, State of Oregon, which is the hour, date and place last set for the sale.

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:

<u>NAME AND LAST KNOWN ADDRESS</u>	<u>NATURE OF RIGHT, LIEN OR INTEREST</u>
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See Attached Exhibit 'T'

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 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" includes 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: October 26, 1999.

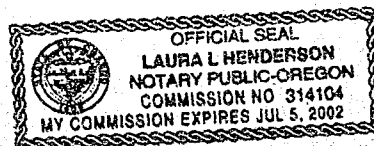
Paul S. Cosgrove
Paul S. Cosgrove, Successor Trustee

STATE OF OREGON, County of Multnomah) ss.

This instrument was acknowledged before me on October 26, 1999
By Paul S. Cosgrove.

Laura L. Henderson
Notary Public for Oregon

My commission expires July 5, 2002



PARCEL 1:

Lot 50, ELMWOOD PARK, in the County of Klamath, State of Oregon.

PARCEL 2:

A parcel of land situate in the SW 1/4 of the NW 1/4 of Section 14, Township 39 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon, being more particularly described as follows:

Beginning at a one-half inch iron pin marking the Southeast corner of Lot 50, ELMWOOD PARK, in the County of Klamath, State of Oregon; thence North 89 degrees 33' 00" West along the South line of said Lot 50 a distance of 78.5 feet to a 1/2 inch iron pin marking the Southwest corner of said Lot 50; thence South to a point lying on the Northerly right of way line of the U.S.R.R. Klamath Project A-3 Lateral; thence North 55 degrees 14' East along said Northerly right of way line to the point of beginning.

Exhibit T

Klamath Irrigation District
c/o Dave Solem
6640 KID Land
Klamath Falls, OR 97603

Lien

Klamath Basin Improvement District
c/o Cindy Cherry
6640 KID Land
Klamath Falls, OR 97603

Lien

Highland Credit Union
c/o Nancy Neley
3737 Shasta Way
Klamath Falls, OR 97603

Judgment

Carter-Jones Collections, L.L.C.
R/A Kent Pederson
1143 Pine Street
Klamath Falls, OR 97601

Judgment

South Valley Bank & Trust
an Oregon Banking Corporation
Attn: Stepahin Vergie
803 Main Street
Klamath Falls, OR 97601

Judgment

William M. Ganong, Esq.
514 Walnut Avenue
Klamath Falls, OR 97601

Possible Attorney Fee Lien

State of Oregon, County of Klamath
Recorded 10/27/99, at 3:26pm.
In Vol. M99 Page 42937
Linda Smith,
County Clerk Fees \$ 25.00