

NOTICE OF DEFAULT AND ELECTION TO SELL

RE: Trust Deed from Francis Hayman, Sr., Grantor.
To George A. Pondella, Jr. and Donald E. Bailey, each as to an undivided one-half interest,
Beneficiary

AFTER RECORDING RETURN TO:
Scott D. MacArthur, P.C.
280 Main Street
Klamath Falls, OR 97601

NOTICE OF DEFAULT AND ELECTION TO SELL

Reference is made to that certain trust deed made by FRANCIS HAYMAN, SR., as grantor, to Aspen Title and Escrow, Inc., as trustee, in favor of GEORGE A. PONDELLA, JR., and DONALD E. BAILEY, each as to an undivided one-half interest, as beneficiary, dated April 17, 1996, recorded May 10, 1996, in the mortgage records of Klamath County, Oregon, in book/reel/volume No. M96 at page 17764, covering the following described real property situated in said county and state, to-wit:

The E ½ SE 1/4 NW 1/4 of Section 17, Township 35 South, Range 10 East of the Willamette Meridian, in the County of Klamath, State of 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 or counties in which the above described real property is situate; further, that no action has been instituted to recover the debt, or any part thereof, now remaining secured by the said trust deed, or, if such action has been instituted, such action has been dismissed.

There is a default by the grantor or other person owing an obligation, the performance of which is secured by said trust deed, or by their 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:

Payments in the amount of \$162.50 per month from July through October 1998 and January 1999 through the present.

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: \$11,503.23 as of October 3, 1997, plus interest.

Notice hereby is given that the beneficiary and trustee, by reason of said default, have elected and do hereby elect to foreclose said trust deed by advertisement and sale pursuant to Oregon Revised Statutes Sections 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