

After recording, return to:  
William M. Ganong  
Attorney at Law  
514 Walnut Avenue  
Klamath Falls OR 97601

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**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. A. Grantor: Ottland, Inc.  
  
B. Trustee: William M. Ganong  
  
C. Beneficiary: Henry J. Caldwell, Jr. and Deborah L. Caldwell, Trustees of the Caldwell Family Trust, uda January 6, 1996, and their successors in Trust
2. The legal description of the property covered by the subject Trust Deed is:

Lots 6, 7 and 8, VALLEY VIEW, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

Klamath County Assessor's Account Nos.  
3909-12BB-3300, 3400, and 3500

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

Book: M96            Page: 1236            Date Recorded: January 16, 1996

3. The default for which the foreclosure is made is the Grantor's failure to make the monthly installment payments that were due and payable on January 15, 2000 and February 15, 2000; the Grantor's apparent sale of the subject property to Cathy King without the knowledge or consent of the beneficiaries; and Grantor's failure to pay the real property taxes and assessments levied against the property before they became delinquent.

4. The principal and interest owing on the obligation secured by the subject Trust Deed as of February 11, 2000 is \$74,395.86, plus interest at the note rate of 20.00% from September 20, 1999 until paid.

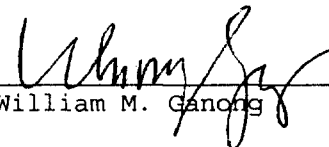
5. The Beneficiary and the Trustee have elected to foreclose the above referenced Trust Deed pursuant to the provisions of Oregon Revised Statutes 86.705 to 86.795.

6. The Trustee will conduct a sale of the above described property at 10:00 a.m. on the 29th day of June, 2000, at the front steps of 514 Walnut Avenue, Klamath Falls, Oregon.

7. 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.

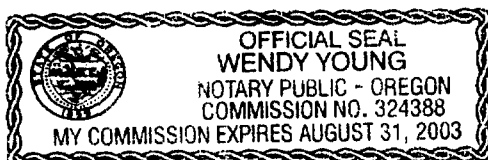
Dated this 16<sup>th</sup> day of February, 2000.

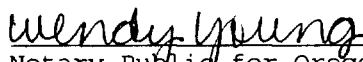
  
William M. Ganong

STATE OF OREGON     )  
                              ) ss  
County of Klamath )

State of Oregon, County of Klamath  
Recorded 2/18/00, at 8:14 A m.  
In Vol. M00 Page 5211  
**Linda Smith,**  
County Clerk   Fee\$ 26.00

Personally appeared this 16<sup>th</sup> day of February, 2000, the above named William M. Ganong, Trustee, and acknowledged the foregoing instrument to be his voluntary act and deed.



  
Notary Public for Oregon  
My commission expires: 8-31-2003