

NOTICE OF DEFAULT AND ELECTION TO SELL

RE: Trust Deed from Stephen King and Cathy King, Grantor
To Jacob Zaiger

AFTER RECORDING RETURN TO:

Scott D. MacArthur, P.C.
280 Main Street
Klamath Falls, OR 97601

NOTICE OF DEFAULT AND ELECTION TO SELL

KNOW ALL MEN BY THESE PRESENTS, that STEPHEN KING and CATHY KING, HUSBAND AND WIFE, is the grantor, and AMERITITLE, INC., is the trustee, and JACOB ZAIGER, is the beneficiary under that certain trust deed dated May 22, 1996, and recorded on May 22, 1996, in book/reel/volume No. M96 at page 14869 of the Mortgage Records of Klamath County, Oregon.

Lots 15, 16, 17, 18, 19 and 20 in Block 10 of SECOND ADDITION TO THE CITY OF KLAMATH FALLS, according to the official plat thereof on file in the Office of the County Clerk of Klamath County, Oregon.

SAVING AND EXCEPTING that portion deeded to City of Klamath Falls, Oregon, recorded October 6, 1959 in Book 316 at page 343, Deed Records of Klamath County, 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:

Payment in full due November 22, 1996.

Taxes for the year 1996-1997, delinquent in the amount of \$42.48 plus interest.

Taxes for the year 1996-1997, delinquent in the amount of \$427.14 plus interest.

Taxes for the year 1996-1997, delinquent in the amount of \$440.55 plus interest.

Taxes for the year 1996-1997, delinquent in the amount of \$451.59 plus interest.

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: \$20,997.27 as of July 29, 1999, 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 case the interest in the said described property which the grantor had, or had the power to convey, at the time of the execution by him of the trust deed, together with any interest the grantor or his successors in interest acquired after the execution of the trust deed, to satisfy the obligations secured by said trust deed and the expenses of the sale, including the compensation of the trustee as provided by law, and the reasonable fees of trustee's attorney.

Said sale will be held at the hour of 10:00 o'clock, A.M., Standard Time as established by Section 187.110 of Oregon Revised Statutes on July 17, 2000, at the following place: 280 Main Street, in the City of Klamath Falls, County of Klamath, State of Oregon, which is the hour, date and place fixed by the trustee of said sale.

Other than as shown of record, neither the said beneficiary or the said 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:

NAME AND LAST KNOWN ADDRESS	NATURE OF RIGHT, LIEN OR INTEREST
Stephen King 5729 Altamont Drive Klamath Falls, OR 97603	Default upon Trust Deed
Cathy King 5729 Altamont Drive Klamath Falls, OR 97603	Default upon Trust Deed
David G. Hoppe Attorney At Law 411 Pine Street Klamath Falls, OR 97601	Potential Claim of Attorney Lien Klamath County Case 9902795 CV
Shasta Glenn, LLC Jim Drew, Manager 1775 NW Steidl Road Bend, OR 97701	Judgment dated October 14, 1999 Klamath County Case No.9902114-CV
Shasta Glenn, LLC Tom Oller, Manager 1576 NW City Heights Drive Bend, OR 97701	Judgment dated October 14, 1999 Klamath County Case No.9902114-CV

Andrew Patterson
C/O William Ganong, Attorney
514 Walnut Street
Klamath Falls, OR 97601

Judgment dated February 2, 2000
Klamath County Case No. 9904453-CV

MJMW Properties
C/O William Ganong, Attorney
514 Walnut Street
Klamath Falls, OR 97601

Judgment dated February 2, 2000
Klamath County Case No. 9904453-CV

Shasta Glenn, LLC
Jim Drew, Manager
1775 NW Steidl Road
Bend, OR 97701

Judgment dated February 15, 2000
Klamath County Case No. 9904653-CV

Shasta Glenn, LLC
Tom Oller, Manager
1576 NW City Heights Drive
Bend, OR 97701

Judgment dated February 15, 2000
Klamath County Case No. 9904653-CV

Pave & Seal, Inc.
5506 Altamont Drive
Klamath Falls, OR 97601

Judgment dated February 25, 2000
Klamath County Case No. 0000068-CV

Mark & Roberta Glover
P. O. Box 278
Chiloquin, OR 97624

Judgment dated March 1, 2000
Klamath County Case No. 0000158-CV

Conseco Finance Corporation
C/O Patrick Wade, Attorney
P. O. Box 1475
Eugene, OR 97440

Pending Proceedings
Klamath County Case No. 9904753-CV

Ottland, Inc.
C/O Bradford Aspell, Attorney
122 S. 5th Street
Klamath Falls, OR 97601

Pending Proceedings
Klamath County Case No. 0000325-CV

Susan R. Wagner
1640 Sykes Creek Road
Roque River, OR 97537

Pending Proceedings
Klamath County Case No. 0000405-CV

State of Oregon, Department of Revenue
Revenue Building, Collection Accounts
Salem, OR 97309

State Tax Warrant, #R542-64-3044 250 99
061, Recorded March 21, 2000, M00-9297
Amount of \$7,341.33

State of Oregon, Department of Revenue
Revenue Building, Collection Accounts
Salem, OR 97309

State Tax Warrant, #R542-64-3044 250 99
031, Recorded March 21, 2000, M00-9298
Amount of \$4,325.74

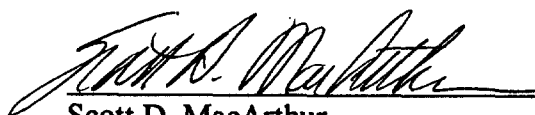
State of Oregon, Department of Revenue
Revenue Building, Collection Accounts
Salem, OR 97309

State Tax Warrant, #R542-64-3044 250 99
031, Recorded March 21, 2000, M00-9298
Amount of \$282.66

Notice is further given that any person named in Section 86.753 of Oregon Revised Statutes has the right, at any time prior to five days before the trustee conducts 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 said 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 said Section 86.753 of Oregon Revised Statutes.

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 of which is secured by said trust deed, and the words "trustee" and "beneficiary" include their respective successors in interest, if any.

DATED: April 12, 2000.

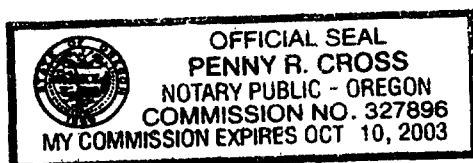


Scott D. MacArthur
Successor Trustee

STATE OF OREGON, County of Klamath) ss.

The foregoing instrument was acknowledged before me this 12th day of April, 2000, by Scott D. MacArthur.

(S E A L)



Before me: Penny R. Cross
Notary Public for Oregon
My Commission Expires: 10/10/03

State of Oregon, County of Klamath
Recorded 04/12/00, at 4:05 p.m.
In Vol. M00 Page 12018
Linda Smith,
County Clerk Fee \$ 36⁰⁰