

2000 JUL -6 PM 2:39

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

Vol M00 Page 24742

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: Hutcheson Van Winkle Construction
B. Trustee: William M. Ganong
C. Beneficiary: Klamath River Acres of Oregon
2. The legal description of the property covered by the subject Trust Deed is:

Lot 14, Block 36, Tract 1084, KLAMATH RIVER
ACRES SIXTH ADDITION, in the County of Klamath
State of Oregon.

Klamath County Assessor's Account No.
3907-25AO-3600

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: 26203 Date Recorded: August 23, 1996

3. The default for which the foreclosure is made is the Grantor's failure to make the monthly installment payments in the amount of \$200 each that were due and payable since September 22, 1999; Grantor's failure to pay the real property taxes and assessments levied against the property before they became delinquent; and the fact that Grantor allowed a Lien to be recorded against the subject real property for unpaid street improvements.

4. The amount owing on the obligation secured by the subject Trust Deed as of September 22, 1999 is \$3,479.36, plus interest at the note rate of 10.00% from September 22, 1999 until paid. Real property taxes and assessments for the tax years 1998-1999 and 1999-2000 in the sum of \$267.37, plus interest thereon; and the sum of \$2,124.96 plus interest, penalties and costs of Street

Lien No. 23-112 in favor of Klamath County, Oregon are due and payable by the Grantor as provided in said Trust Deed.

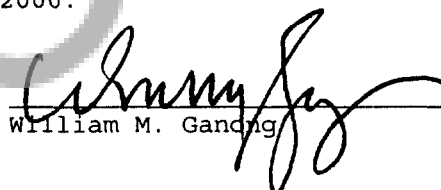
5. The Beneficiary and the Trustee have elected to foreclose the above referenced Trust Deed pursuant to the provisions of Oregon Revised Statutes 86.705 to 86.795.

6. The Trustee will conduct a sale of the above described property at 10:00 a.m. on the 5th day of December, 2000, at the front entrance to the office of William M. Ganong at 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.

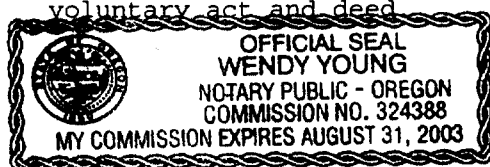
In construing this instrument, the masculine gender includes the feminine and the neuter, the singular includes the plural, the word "grantor" includes any successor in interest to the grantor as well as any other persons owing an obligation, the performance of which is secured by said Trust Deed, the words "trustee" and "beneficiary" include their respective successors in interest, if any.

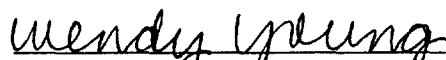
Dated this 5th day of July, 2000.


William M. Ganong

STATE OF OREGON, County of Klamath) ss.

Personally appeared this 5th day of July, 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