

NOTICE OF DEFAULT AND ELECTION TO SELL

Reference is made to that certain trust deed made by Brian C. Pratt and Cindy R. Pratt, as Grantors, to First American Title Company as Trustee, in favor of Harold Elliot as beneficiary, dated April 18, 1996, recorded April 22, 1996 in the mortgage records of Klamath County, Oregon in book M-96 at page No. 11146 covering the following described real property situated in the above-mentioned County and State, to wit:

Lot 10, Block 1, Tract No. 1204, LITTLE RIVER RANCH, according to the official plat thereof on file in the office of the Clerk of Klamath County, Oregon.

Dennis Fennell, Successor Trustee, 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; 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 provisions; the default for which foreclosure is made is grantor's failure to pay when due the following sums:

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: \$28,957.45 principal and interest plus accruing interest, and unpaid taxes of \$573.96.

Notice is hereby 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 obligation 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 9:30 a.m. in accord with the standard of time established by ORS 187.110 on September 12, 2002 at the Oregon State Police Station, Gilchrist, Oregon.

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.

(over)

State of Oregon, County of Klamath
Recorded 04/19/2002 8:50 a. m.
Vol M02, Pg 23024-25
Linda Smith, County Clerk
Fee \$ 26⁰⁰ # of Pgs 2

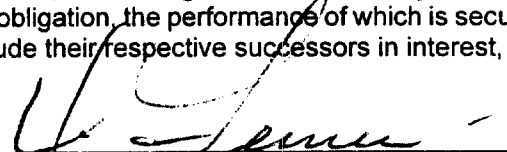
After recording return to:

Dennis Fennell
Attorney at Law
1195 NW Wall Street
Bend, OR 97701

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 4-16-02


Dennis Fennell, Successor Trustee

STATE OF OREGON

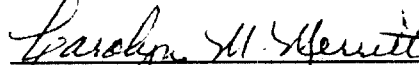
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County of Deschutes

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On April 16, 2002, personally appeared the above named Dennis Fennell and acknowledged the foregoing instrument to be his voluntary act. Before me:


Notary Public for Oregon

