

AFTER: RECORDING RETURN TO:

Jeffrey C. Pridgeon
Attorney at Law
515 West Olive Street
Newport, OR 97365

RE: Trust Deed From: Lila M. Buckley, Trustee, Lila M. Buckley Revocable Living Trust,
Grantor
To: First American Title Company, Trustee
(Successor Trustee: Jeffrey C. Pridgeon).
Beneficiary: Donald D. and Sally B. Rainwater

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NOTICE OF DEFAULT AND ELECTION TO SELL

Reference is made to that certain trust deed made by **Lila M. Buckley, Trustee, Lila M. Buckley Revocable Living Trust**, as grantor, to First American Title Company, as trustee **(Successor Trustee: Jeffrey C. Pridgeon)**, in favor of **Donald D. and Sally B. Rainwater**, beneficiary, dated August 11, 2004, recorded on August 12, 2004, in the Records of Klamath County, Oregon, in volume No. M04, page 52922, covering the following described real property situated in the above-mentioned county and state, to wit: See Legal Description attached hereto as Exhibit A and by this reference incorporated herein.

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 Records of the county in which the above-described real property is situated **(Successor Trustee: Jeffrey C. Pridgeon)**. Further, no action has been instituted to recover the debt, or any part thereof, now remaining secured by the trust deed.

There is a default by grantor or other person owing an obligation, 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 provision. The default for which foreclosure is made is grantor's failure to pay when due the following sums. By reason of the said 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:

Principal: \$ 17,778.91

Interest to Date of Last Payment (Date: June 20, 2005): paid

Per Diem Interest Thereafter: \$4.38

to Jan. 3, 2006 Date = \$862.86

Total to Jan. 3, 2006 = \$18,641.77

Real Property Taxes (Real Tax No.115468) Code No.056028: \$1.91

Notice hereby is 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 and interest in the described property which grantor had, or had the power to convey, at the time of the execution by grantor of the trust deed, together with any interest grantor or grantor's successor in interest acquired after the execution of the trust deed, to satisfy the obligations secured by the 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 attorneys.

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The sale will be held at the hour of 10:00 o'clock A.M., in accord with the standard of time established by ORS 187.110 on June 5, 2006, at the following place: Front steps of the Klamath County Courthouse, 316 Main St., in the City of Klamath Falls, County of Klamath, State of Oregon, which is the hour, date and place last set for the sale.

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 grantor or of any lessee or other person in possession of or occupying the property, except:

Name and Last Known Address:

Name of Right, Lien or Interest

Forrest D. Jamison and Delores M. Jamison
c/o First American Title
404 Main St Suite 1
Klamath Falls, OR 97601

Inferior trust deed beneficiaries


Barbara A. Iremonger and Sarah Manning
13497 East Langell Valley Road
Bonanza, OR 97623

Reputed occupants and reputed co-trustees
of the Lila M. Buckley Revocable Living Trust

Notice is further given that any person named in ORS 86.753 has the right, at any time prior to five days before the 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 fees not exceeding the amounts provided by ORS 86.753.

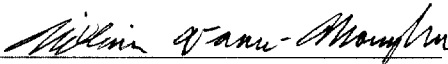
In construing this notice, the singular includes the plural, the word "grantor" includes any successor in interest to the grantor as well as any other person owing an obligation, the performance of which is secured by the trust deed, and the words "trustee" and "beneficiary" include their respective successors in interest, if any.

DATED this 10th day of January, 2006.


JEFFREY C. PRIDGEON
Successor Trustee

STATE OF OREGON)
):ss
County of Lincoln)

This instrument was acknowledged before me on January 10, 2006 by Jeffrey C. Pridgeon, Successor Trustee.


NOTARY PUBLIC for the State of Oregon
My Commission Expires: 6/22/09

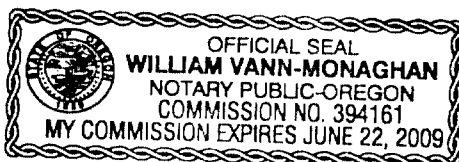


Exhibit "A"

Real property in the County of Klamath, State of Oregon, described as follows:

PARCEL 1:

SE 1/4 SW 1/4 of Section 8; NE 1/4 NW 1/4, NW 1/4 SE 1/4 of Section 17; in Township 40 South, Range 14 East of the Willamette Meridian, Klamath County, Oregon.

EXCEPTING therefrom that portion conveyed to Richard A. Smith and Geneva A. Smith recorded February 21, 1991 in Volume M91, page 3174, Records of Klamath County, Oregon, more particularly described as:

That portion of the NW 1/4 of the SE 1/4 lying Northerly of the following described line:

Beginning at the Northeast corner of the SE 1/4 of the SW 1/4 (should be SE 1/4 of the NW 1/4) of Section 17, Township 40 South, Range 14 East of the Willamette Meridian, Klamath County, Oregon, thence diagonally in a straight line to the Southeast corner of the NW 1/4 of the SE 1/4 of said Section 17, Township 40 South, Range 14 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 2:

W 1/2 NW 1/4, SE 1/4 NW 1/4, NE 1/4 SW 1/4, SE 1/4 SW 1/4 of Section 17; E 1/2 NE 1/4 of Section 18; SE 1/4 SE 1/4 of Section 7; SW 1/4 SW 1/4 of Section 8; all in Township 40 South, Range 14 East of the Willamette Meridian, SAVING AND EXCEPTING that portion heretofore conveyed by deed recorded in Volume 140, page 119, Deed records of Klamath County, Oregon, more particularly described as follows:

Beginning at a point on the East and West centerline of Section 18, Township 40 South, Range 14 East of the Willamette Meridian, which point is 876.4 feet West of the quarter corner common to Sections 17 and 18, said Township and Range; thence North 4°38' West 76 feet; thence North 63°16' West 243.2 feet; thence North 87°34' West 223 feet, more or less, to the West boundary line of the SE 1/4 of the NE 1/4 of said Section 18; thence South along said boundary line 190 feet, more or less, to the Southwest corner of said SE 1/4 of the NE 1/4 of said Section 18; thence East along said East and West centerline of said Section 18, 448.2 feet, more or less, to the point of beginning and to the United States of America by deed recorded in Volume 69, page 272 and Volume 69, page 288, Deed records of Klamath County, Oregon.

PARCEL 3:

That portion of the SW 1/4 of the NE 1/4 lying Southerly of the following described line:

Beginning at the Northeast corner of the SE 1/4 of the NW 1/4 of Section 17, Township 40 South, Range 14 East of the Willamette Meridian, Klamath County, Oregon, thence diagonally in a straight line to the Southeast corner of the NW 1/4 of the SE 1/4 of said Section 17, Township 40 South, Range 14 East of the Willamette Meridian, Klamath County, Oregon.

Tax Parcel Number: 115299 and 115280 and 115351 and 115404 and 872324 and 860697 and 597223 and 597198 and 115468 and 860704 and M42144 and 115529 and 891471