AFTER RECORDING RETURN TO:
Hershner Hunter, LLP
Attn: Lisa M. Summers
P.O. Box 1475
Eugene, OR 97440

TRUSTEE'S NOTICE OF DEFAULT AND ELECTION TO SELL
UNDER TERMS OF TRUST DEED

The Trustee under the terms of the Trust Deed described herein, at the direction of the Beneficiary, hereby elects to sell the property described in the Trust Deed to satisfy the obligations secured thereby. Pursuant to ORS 86.745, the following information is provided:

1.   PARTIES:

        Grantor: DANIEL M. HEATON AND EMILY V. HEATON
        Trustee: AMERITITLE
        Successor Trustee: NANCY K. CARY
        Beneficiary: OREGON HOUSING AND COMMUNITY SERVICES DEPARTMENT, STATE OF OREGON, as assignee of SIUSLAW BANK

2.   DESCRIPTION OF PROPERTY: The real property is described as follows:

        As described in the attached Exhibit A.

3.   RECORDING. The Trust Deed was recorded as follows:

Date Recorded: January 22, 2008
Recording No.: 2008-000900
Official Records of Klamath County, Oregon

4.   DEFAULT. The Grantor or any other person obligated on the Trust Deed and Promissory Note secured thereby is in default and the Beneficiary seeks to foreclose the Trust Deed for failure to pay: Monthly payments in the amount of $844.00 each, due the first of each month, for the months of July 2011 through October 2011; plus late charges and advances; plus any unpaid real property taxes or liens, plus interest.

5.   AMOUNT DUE. The amount due on the Note which is secured by the Trust Deed referred to herein is: Principal balance in the amount of $110,795.95; plus interest at the rate of 6.000% per annum from June 1, 2011; plus late charges of $312.93; plus advances and foreclosure attorney fees and costs.

6.   SALE OF PROPERTY. The Trustee hereby states that the property will be sold to satisfy the obligations secured by the Trust Deed.
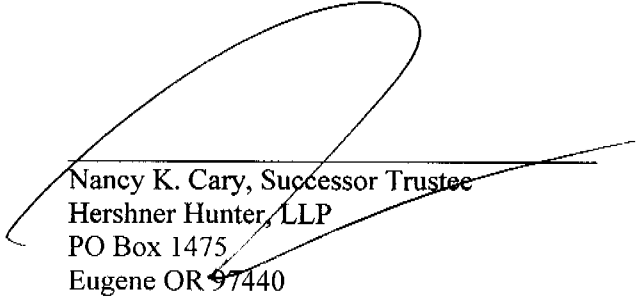
7.   TIME OF SALE.

        Date: April 5, 2012
        Time: 11:00 a.m.
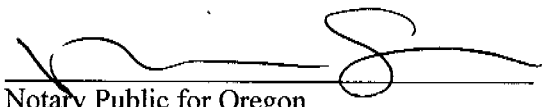   Place: Klamath County Courthouse, 316 Main Street, Klamath Falls, Oregon

8.   RIGHT TO REINSTATE. Any person named in ORS 86.753 has the right, at any time prior to five days before the Trustee conducts the sale, to have this foreclosure 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, by curing any other default that is capable of being cured by tendering the performance required under the obligation or Trust Deed and by paying all costs and expenses actually incurred in enforcing the obligation and Trust Deed, together with the trustee's and attorney's fees not exceeding the amount provided in ORS 86.753.

DATED: November 9, 2011.

Nancy K. Cary, Successor Trustee
Hershner Hunter, LLP
PO Box 1475
Eugene OR 97440

STATE OF OREGON   )
) ss.
COUNTY OF LANE   )

The foregoing instrument was acknowledged before me on November 9, 2011, by Nancy K. Cary.

Notary Public for Oregon
My Commission Expires: 01/28/12

(TS #07754.30427)
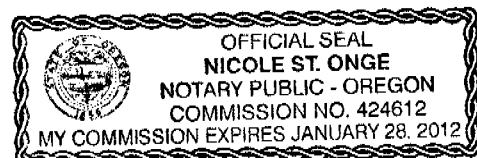Telephone: (541) 686-0344

EXHIBIT A

That portion of the Southwest quarter of Section 7, Township 39 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon, described as follows:

Beginning at a point 30 feet South of the center of Section 7, Township 39 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon; thence West along the South side of Booth Road, 1042.29 feet, more or less, to a 1/2 inch rebar with plastic cap stamped LS 1289; and the TRUE POINT OF BEGINNING; thence leaving said road and bearing South, 220 feet to a 1/2 inch rebar with LS 1289; thence West parallel to said road, 400.00 feet, more or less, to the Easterly side line of that tract of land described in Deed recorded in Volume 74, page 637, Deed Records of Klamath County, Oregon, in which M. E. and O. B. Cornett were grantees; thence North along said Easterly side line to the South margin of Booth Road; thence Easterly, along said margin to the True Point of Beginning.