

PROOF OF MAILING NOTICE OF DEFAULT  
AND FORFEITURE OF CONTRACT

STATE OF OREGON                     ]  
  ] ss.  
County of Klamath                   ]

I, RICHARD FAIRCLO, being first duly sworn, depose and say:

That I am the attorney for ROBERT KINNAN and LOUISE KINNAN, husband and wife, Seller under a Contract between ROBERT KINNAN and LOUISE KINNAN, husband and wife as Seller, and JAMES E. SMITH, as Purchaser. A memorandum of said contract was recorded February 24, 1986, in Vol. M86, page 3116, Deed Records, Klamath County, Oregon, covering the following-described real property:

Lot 27 in Block 3 of Riverview Addition, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

TOGETHER with all improvements on said real property presently existing or which may be hereafter added to said real property.

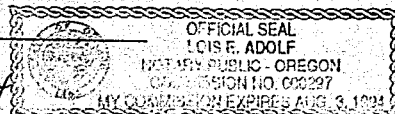
I hereby certify that I mailed, by first class mail and by certified mail, return receipt requested, a copy of the attached NOTICE OF DEFAULT AND FORFEITURE OF CONTRACT to the persons listed below, on the date and to the address indicated which was the last known address to the Seller, by placing said NOTICE in a sealed envelope, with postage fully paid thereon, and depositing the same in the United States Mail:

Date:	Person	Address
4/25/91	James E. Smith	2219 Laurel Klamath Falls, OR 97601
		Rt. 4 Box 117A-24 Milton Freewater, OR 97862
4/25/91	James G. Gillespie & Family	2219 Laurel Klamath Falls, OR 97601
4/25/91	State of Oregon Department of Human Resources	417 Public Service Bldg. Salem, OR 97310
4/25/91	Lotus Management, Inc. c/o Bruce Huffman, Registered Agent	409 Pine Street Klamath Falls, OR 97601

SUBSCRIBED AND SWORN to before me this 25<sup>th</sup> day of April, 1991.

*Lois E. Adolf*  
Notary Public of Oregon  
My Commission expires: 8/31/94

PROCTOR & FAIRCLO  
ATTORNEYS AT LAW  
280 MAIN STREET  
KLAMATH FALLS, OREGON 97601



'91 APR 25 PM 2 17

NOTICE OF DEFAULT AND FORFEITURE  
(Pursuant to ORS Sections 93.905 thru 93.945)

Seller under the Contract described below declares Purchaser is in default for the reasons set forth herein.

1. DESCRIPTION OF CONTRACT:

(A) PURCHASER: JAMES E. SMITH

(B) SELLER: ROBERT KINNAN AND LOUISE KINNAN, Husband and wife.

(C) MEMORANDUM OF CONTRACT RECORDED: February 24, 1986, in Volume M86 page 3116, Deed Records of Klamath County, Oregon.

(D) AMOUNT AND TERMS OF CONTRACT: \$25,999.00 payable in monthly installments of \$236.27 including interest at the rate of 10% per annum on the unpaid balance, together with an additional payment in the amount equivalent to 1/12th of the real and personal property taxes assessed for the next preceeding tax period and insurance. Buyer to maintain unurance coverage at full insurable value.  
First payment due on March 1, 1986, and a like payment on 1st of each succeeding month thereafter, until balance, both principal and interest is paid in full.

(E) PROPERTY COVERED BY CONTRACT: Lot 27 in Block 3 of Riverview Addition, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

2. NATURE AND AMOUNT OF DEFAULT: Failure to pay:

(A) The regular monthly payments due January 1, 1991, through April 1, 1991, which represents 4 months at \$296.81 or a total of \$1,187.24.

3. SUM OWING ON OBLIGATION: Principal balance of \$25,629.17 with interest at 10 percent per annum from October 17, 1990.

4. DATE AFTER WHICH CONTRACT FORFEITED IF DEFAULT NOT CURED:

Unless the default is cured as set forth in paragraph 5 of this Notice, after the Purchaser and all persons claiming through the Purchaser shall have no further rights in the contract or the property and no person shall have any right to redeem the property; and all sums previously paid under the contract by or on behalf of the Purchaser shall belong to and be retained by the Seller or other person to whom paid.

5. CURE OF DEFAULT TO AVOID FORFEITURE: Notice is given that forfeiture may be avoided under the Contract by curing the default(s) by payment of the entire amount due, other than such portion of principal as would not then be due had no default occurred, and tendering performance of other obligations in default, together with costs and expenses actually incurred in enforcing the contract on or before July 5, 1991.

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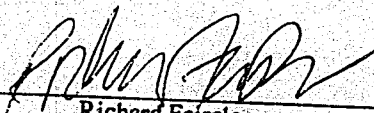
(The period specified shall be not less than 60 days, when the purchaser has reduced the unpaid balance to an amount greater than 75 percent of the purchase price, 90 days when the purchaser has reduced the unpaid balance to an amount which is more than 50 percent but less than 75 percent of the purchase price or 120 days when the purchaser has reduced the unpaid balance to an amount which is 50 percent or less of the purchase price.)

6. NAME AND ADDRESS OF SELLER'S ATTORNEY:

Richard Fairclo,  
PROCTOR & FAIRCLO  
280 Main Street  
Klamath Falls, OR 97601

A copy of this Notice, together with an Affidavit of Mailing shall be recorded.

To be sent by both first class and certified mail with return receipt requested at the last known address or served pursuant to ORCP 7D (2) and 7D (3) to be sent to the purchaser, occupant of the property, any person who has filed of record the request for notice of default, and others shown in title report.



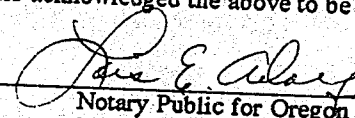
Richard Fairclo  
Attorney for Seller

STATE OF OREGON

County of Klamath

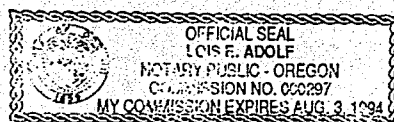
] ss.

On this 25 day of April, 1991, personally appeared before me the above-named RICHARD FAIRCLO and acknowledged the above to be his voluntary act and deed.



Notary Public for Oregon

My Commission expires: 8/3/94



STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Richard Fairclo

of April

A.D. 19 91 at 2:17

of Mortgages

o'clock

P.

M.,

and duly recorded in Vol. M91

on Page 7647

the

25th

day

the

25th

day

FEE \$18.00

Evelyn Biehn

County Clerk

By

Berntha H. Oplech

*Return*

PROCTOR & FAIRCLO  
ATTORNEYS AT LAW  
280 MAIN STREET  
KLAMATH FALLS, OREGON 97601