

DECLARATION OF FORFEITURE

STATE OF OREGON

County of Klamath

 }
 } ss.
 }

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

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

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.

A NOTICE OF DEFAULT AND FORFEITURE OF CONTRACT was mailed to Purchaser. Copies of said NOTICE AND PROOF OF MAILING of said NOTICE are attached hereto.

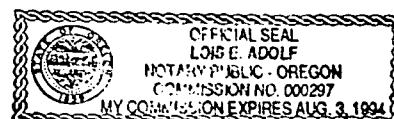
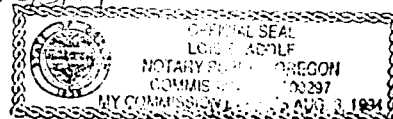
The defaults of the Purchaser under the terms of the contract were not cured within the time period provided in ORS 93.915 and the Contract has been forfeited.

Richard S. Fairclo
 RICHARD FAIRCLO, OSB 75114

SUBSCRIBED AND SWORN to before me this July day of July, 1991.

Lois E. Adolf
 Notary Public of Oregon

My Commission expires: 8/3/94



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

28618

13318

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

Vol. 1191 Page 7645

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 unsurance 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.

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

13319

7646

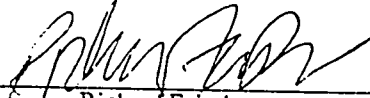
(The period specified shall be not less than 60 days, when the purchaser has reduced the unpaid balance to an amount greater than 75 percent of the purchase price, 90 days when the purchaser has reduced the unpaid balance to an amount which is more than 50 percent but less than 75 percent of the purchase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

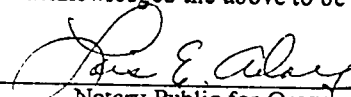
STATE OF OREGON

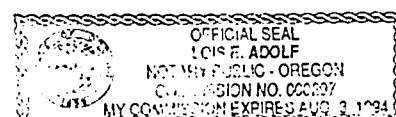
County of Klamath

}
}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 o'clock P. M., and duly recorded in Vol. M91
of Mortgages on Page 7645

FEE \$18.00

INDEXED
D ✓ L ✓

Evelyn Biehn County Clerk
By Dorothea A. Schuch

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

PROOF OF MAILING NOTICE OF DEFAULT
AND FORFEITURE OF CONTRACTSTATE 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.

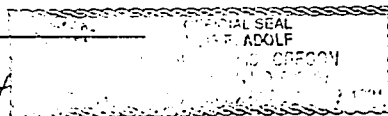
I hereby certify that I mailed, by first class mail and by certified mail, return receipt requested, a copy of the attached NOTICE OF DEFAULT AND FORFEITURE OF CONTRACT to the persons listed below, on the date and to the address indicated which was the last known address to the Seller, by placing said 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 25th day of April, 1991.

Law E. Adley
Notary Public of Oregon
My Commission expires: 8/3/94

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



STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Proctor & Fairclo the 9th day
of July A.D., 19 91 at 4:23 o'clock PM. and duly recorded in Vol. M91
of Deeds on Page 13317.

FEE \$43.00

Evelyn Biehn County Clerk

By Pauline M. Madsen