

NOTICE OF PENDENCY OF AN ACTION

Pursuant to ORS 93.740, the undersigned states:

1. As plaintiff, State of Oregon, Acting by and through the Oregon Housing and Community Services Department, fka the Oregon Housing Agency, has filed an action for foreclosure of trust deed in the Circuit Court for Klamath County.
2. The defendants are: Clayco Development Corporation; South Valley State Bank; Larry D. Melton; and Bruce J. Clayman.
3. The object of the action is: to foreclose trust deed.
4. The description of the real property to be affected is:

See attached Exhibit 1.

5. The Case Number assigned to the above referenced action is: 9201546CV.

DATED this 11th day of May, 1992.

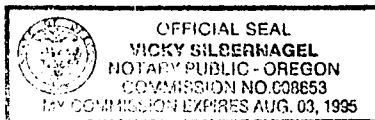
Ruth J. Thomas
 Ruth J. Thomas #89370
 Assistant Attorney General
 Attorney for Plaintiff

Name: Ruth J. Thomas
 Address: Department of Justice
 100 Justice Building
 Salem, OR 97310
 (503) 378-4732

STATE OF OREGON)

County of Marion) ss

The foregoing instrument was acknowledged before me this 11th day of May, 1992, by Ruth J. Thomas.



Vicky Silbernagel
 Notary Public for Oregon
 My Commission Expires:

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EXHIBIT 1

PARCEL 1:

A tract of land situated in the NE 1/4 NE 1/4 of Section 32, and the SE 1/4 SE 1/4 Section 29, Township 38 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon, described as follows:

Beginning at the intersection of the Southerly line of Pine Street and the Easterly line of Eleventh Street in the City of Klamath Falls, Oregon; thence Northeasterly along said Southerly line of Pine Street 170 feet to a point thereon distant 50 feet Southwesterly along said Pine Street from the most Westerly corner of Lot 5, Block 3, HOT SPRINGS ADDITION TO THE CITY OF KLAMATH FALLS, OREGON; thence Southeasterly and parallel with said Easterly line of Eleventh Street 112 feet; thence Southwesterly parallel to said Pine Street, 50 feet; thence Southeasterly parallel with Eleventh Street 8 feet; thence Northeasterly and parallel with the Northerly line of Main Street in the City of Klamath Falls, Oregon, 125 feet; thence Southeasterly and parallel with said Easterly line of Eleventh Street 120 feet to said Northerly line of Main Street at a point thereon distant 50 feet Southwesterly from the Southwest corner of Lot 6, Block 3, Hot Springs Addition to the City of Klamath Falls, Oregon; thence Southwesterly along said Northerly line of Main Street 245 feet to the Northeast corner of Main Street and Eleventh Street; thence Northwesterly along the Easterly line of Eleventh Street to the point of beginning.

LESS AND EXCEPT any portion of the alley in Block 3, HOT SPRINGS ADDITION TO THE CITY OF KLAMATH FALLS, OREGON.

PARCEL 2:

A tract of land situated in the NE 1/4 NE 1/4 of Section 32, Township 38 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon, described as follows:

Commencing at the point on the Southerly line of Pine Street which is distant 50 feet Southwesterly along said Pine Street from the most Westerly corner of Lot 5, Block 3, HOT SPRINGS ADDITION TO THE CITY OF KLAMATH FALLS, OREGON, and thence running Southeasterly and parallel with the Easterly line of Eleventh Street a distance of 112 feet to the true point of beginning of this description; thence Southwesterly and parallel to said Pine Street 50 feet; thence Southeasterly and parallel with Eleventh Street 8 feet; thence Northeasterly and parallel with the Northerly line of Main Street a distance of 50 feet; thence Northwesterly and parallel with Eleventh Street a distance of 8 feet, more or less, to said true point of beginning.

EXHIBIT 1

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of _____ Dept. of Justice _____ the 18th day of _____ May _____ A.D., 19 92 at 11:34 o'clock A M., and duly recorded in Vol. M92 of _____ Mortgages _____ on Page 10754.

FEE \$15.00

Evelyn Biehn County Clerk

By Quinn M. Mendenhall