

**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: Terry L. Hager and Dessa L. Hager, Husband and Wife, also known as Terry L. Hager and Dessa L. Hager, Husband and Wife; and Donald W. Rice.

(B) SELLER: John M. Schoonover and Arba F. Schoonover.

(C) CONTRACT RECORDED: February 7, 1985, in Volume M85 page 2064, Deed Records of Klamath County, Oregon.

**(D) AMOUNT AND TERMS OF CONTRACT:**

Purchase price of \$105,000, of which \$5,000 was paid upon execution thereof, and the remainder of \$100,000 to be paid in annual payments of not less than \$10,750 each, additional payment of \$5,000 due on January 1, 1985. The balance of \$95,000 was to be paid in such installments of \$10,750 on January 1 of each year beginning with the year of 1986, and continuing until said purchase price is fully paid. All of said purchase price may be paid at any time; all deferred balances of said purchase price shall bear interest at the rate of 7.2 percent per annum from January 1, 1985 until paid, interest to be paid annually and being included in the minimum monthly payments above required. The entire balance, both principal and interest, was to be paid on or before 15 years after the date of such contract.

(E) PROPERTY COVERED BY CONTRACT: See attached Exhibit "A"

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

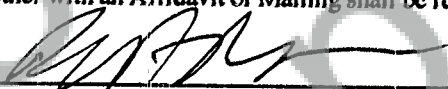
(A) The regular annual installments due January 1, 1995, through January 1, 1996, in the amount of \$9,500 per installment.

(B) Real property taxes for the following accounts for the following sums, plus accruing interest.

R3612-02200-00300-000 008; R353030;	\$ 69.58
R3612-02200-00400-000 008; R353049;	69.61
R3612-02200-00500-000 008; R353058;	69.76
R3612-02700-00500-000 008; R358106;	70.84
R3612-02700-00700-000 008; R358124;	2.74
R3612-02700-00600-000 008; R358115;	77.49
R3612-02700-00800-000 008; R358133;	62.10
R3612-02800-00500-000 008; R353557;	235.04
R3612-02800-00600-000 008; R353511;	2.74

R3612-02800-00700-000 008; R353520;	62.10
R3612-02800-00800-000 008; R353539;	62.10
R3612-02800-00900-000 008; R353548;	62.10
R3612-02800-01300-000 008; R353496;	64.85
R3612-03300-00100-000 008; R354084;	145.25

3. SUM OWING ON OBLIGATION: Principal balance of \$67,646.66  
with interest at 7.2 percent per annum from February 16, 1994.
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 August 15, 1996.
6. NAME AND ADDRESS OF SELLER'S ATTORNEY: Richard Fairclo, Attorney,  
280 Main Street, Klamath Falls, OR 97601
- A copy of this Notice, together with an Affidavit of Mailing shall be recorded.

  
Richard Fairclo  
Attorney for Seller

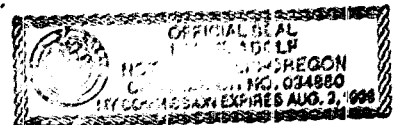
STATE OF OREGON

]  
]ss.  
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County of Klamath

On this 1 day of May, 1996, 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:



RICHARD FAIRCLO  
ATTORNEY AT LAW  
280 MAIN STREET  
KLAMATH FALLS, OREGON 97601

## EXHIBIT A

The following described real property situate in Klamath County, Oregon.

Parcel 1: The S $\frac{1}{2}$ W $\frac{1}{2}$ NW $\frac{1}{2}$ SW $\frac{1}{2}$ , W $\frac{1}{2}$ SW $\frac{1}{2}$ SW $\frac{1}{2}$  Section 22 and the W $\frac{1}{2}$ W $\frac{1}{2}$ NW $\frac{1}{2}$  Section 27, Township 36 South, Range 12 East of the Willamette Meridian.

PARCEL 2: The S $\frac{1}{2}$ NE $\frac{1}{2}$ , SE $\frac{1}{2}$  Section 28, Township 36 South, Range 12 East of the Willamette Meridian.

PARCEL 3: The N $\frac{1}{2}$ NE $\frac{1}{2}$ , N $\frac{1}{2}$ N $\frac{1}{2}$ SW $\frac{1}{2}$ NE $\frac{1}{2}$ , N $\frac{1}{2}$ SE $\frac{1}{2}$ NE $\frac{1}{2}$  Section 33, Township 36 South, Range 12 East of the Willamette Meridian.

**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 ARBA F. SCHOONOVER, Seller under a Contract between JOHN M. SCHOONOVER and ARBA F. SCHOONOVER, as Sellers, and TERRY L. HAGAR and DESSA L. HAGAR, Husband and Wife, and DONALD W. RICE as Purchasers. A memorandum of said contract was recorded February 7, 1985, in Vol. M85, page 2064, Deed Records, Klamath County, Oregon, covering the following-described real property: See Attached Exhibit "A."

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

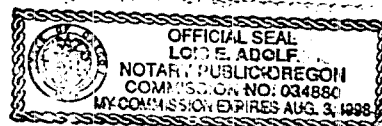
I hereby certify that I mailed, by first class mail and by certified mail, return receipt requested, a copy of the foregoing NOTICE OF DEFAULT AND FORFEITURE OF CONTRACT to the persons listed below, on the date and to the address indicated which was the last known address to the Seller, by placing said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

Date:	Person	Address:
5/1/96	Terry L. Hagar, aka Terry L. Hager	P.O. Box 85 Beatty OR 97621
5/1/96	Dessa L. Hagar, aka Dessa L. Hager	P.O. Box 85 Beatty OR 97621
5/1/96	Robert T. Rice, P.R. of the Estate of Donald W. Rice	22327 Highway 70 Bonanza OR 97623
5/1/96	Donald R. Crane, Attorney for Estate of Donald W. Rice	635 Main Street Klamath Falls OR 97601
5/1/96	South Valley State Bank	5215 South Sixth Klamath Falls OR 97603
5/1/96	Highland Community F.C.U.	3737 Shasta Way Klamath Falls OR 97603
5/1/96	William J. Rajnus, Jr.	13383 Harpold Rd. Klamath Falls OR 97603

SUBSCRIBED AND SWORN to before me this 1 day of May, 1996.

*[Signature]*  
Notary Public of Oregon  
My Commission expires.

RICHARD FAIRCLO  
ATTORNEY AT LAW  
280 MAIN STREET  
KLAMATH FALLS, OREGON 97601



## EXHIBIT A

The following described real property situate in Klamath County, Oregon.

Parcel 1: The S½NW¼SW¼, W½SW¼SW¼ Section 22 and the W½W¼NW¼ Section 27, Township 36 South, Range 12 East of the Willamette Meridian.

PARCEL 2: The S½NE¼, SE¼ Section 28, Township 36 South, Range 12 East of the Willamette Meridian.

PARCEL 3: The N½NE¼, N½NW¼NE¼, N½SE¼NE¼ Section 33, Township 36 South, Range 12 East of the Willamette Meridian.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Richard Fairclo the 2nd day  
of May A.D. 19 96 at 9:37 o'clock AM., and duly recorded in Vol. M96  
of Deeds on Page 12484.

FEE \$30.00

By Bernetha G. Letsch, County Clerk  
Cheryl Fursell