

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

This Notice amends original Notice recorded on May 2, 1996 at Vol. M96, page 12484 et seq. The original forfeiture proceedings were stayed due to Terry Lee Hager and Dessa Lea Hager's Bankruptcy Case No. 696-66539-aer11. The stay has been terminated pursuant to Court Order dated February 21, 1997, effective nunc pro tunc 2/12/97, a copy of which is attached hereto as Exhibit 1.

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, January 1, 1996, and January 1, 1997, 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

Res: RICHARD FAIRCLO
ATTORNEY AT LAW
280 MAIN STREET
KLAMATH FALLS OR 97601

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R3612-02700-00500-000 008; R358106;	70.84
R3612-02700-00700-000 008; R358124;	2.74
R3612-02700-00600-000 003; R358115;	77.49
R3612-02800-00800-000 008; 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
Plus any other accrued taxes to date.	

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 March 20, 1997 (Amended date).

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.

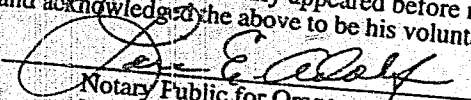

Richard Fairclo
Attorney for Seller

STATE OF OREGON

County of Klamath

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]ss.
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On this 26th day of February, 1997, personally appeared before me the above-named RICHARD FAIRCLO and acknowledged to me to be his voluntary act and deed.


Notary Public for Oregon
My Commission expires:

RICHARD FAIRCLO
ATTORNEY AT LAW
280 MAIN STREET
KLAMATH FALLS OR 97601

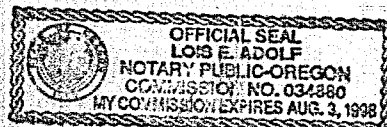


EXHIBIT A

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

- Parcel 1: The S $\frac{1}{2}$ W $\frac{1}{2}$ N $\frac{1}{2}$ 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 $\frac{1}{2}$ N $\frac{1}{2}$ W $\frac{1}{2}$ 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.

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CLERK, U.S. BANKRUPTCY COURT
DISTRICT OF OREGON

FEB 2 1997

LOGGED
PAID DOCKETEDUNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF OREGON

In re

TERRY LEE HAGER and
DESSA LEA HAGER,

Debtors.

Case No. 696-66539-aer11

ORDER DISMISSING CASE;
PROHIBITING REFILE
UNDER CHAPTERS 11, 12 OR
13 PRIOR TO AUGUST 12, 1997

After a hearing in Klamath Falls, Oregon on February 12, 1997 and based upon Findings of Fact and Conclusions of Law stated orally and recorded in open court following the close of the evidence in accordance with F.R. Civ. P. 52(a) and F.R. Bankr. P. 7052 and 9014,

IT IS ORDERED that:

1. This case is dismissed;
2. The debtors are prohibited from filing a case under chapters 11, 12 or 13 of the Bankruptcy Code prior to August 12, 1997; and
3. This order is effective nunc pro tunc February 12, 1997.

Presented by:

Paul J. Garrick, OSB #82475
Office of U.S. Trustee
211 E. 7th Ave., Room 285
Eugene, OR 97401
Telephone: (541) 465-6330

Albert E. Radcliffe
Albert E. Radcliffe
Bankruptcy Judge

cc: debtors; K. Boyd; A. Brandsness; P. Garrick

Page 1 - ORDER DISMISSING CASE; PROHIBITING REFILE UNDER CHAPTER
11, 12, OR 13 PRIOR TO AUGUST 12, 1997

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**PROOF OF MAILING AMENDED 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."

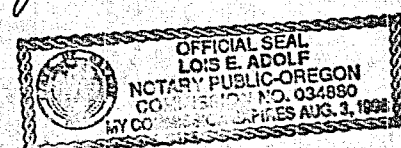
TOGETHER with all improvements on said real property presently existing or which may be hereafter added to said real property.

I hereby certify that I mailed, by first class mail and by certified mail, return receipt requested, a copy of the foregoing AMENDED 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:
2/26/97	Terry L. Hagar, aka Terry L. Hager	P.O. Box 85 Beatty OR 97621
2/26/97	Dessa L. Hagar, aka Dessa L. Hager	P.O. Box 85 Beatty OR 97621
2/26/97	Robert T. Rice, P.R. of the Estate of Donald W. Rice	22327 Highway 70 Bonanza OR 97623
2/26/97	Donald R. Crane, Attorney for Estate of Donald W. Rice	P.O. Box 5261 Klamath Falls OR 97601
2/26/97	South Valley State Bank	5215 South Sixth Klamath Falls OR 97603
2/26/97	Highland Community F.C.U.	3737 Shasta Way Klamath Falls OR 97603
2/26/97	William J. Rajnus, Jr.	13383 Harpold Rd. Klamath Falls OR 97603

SUBSCRIBED AND SWORN to before me this 26 day of February, 1997

[Signature]
Notary Public of Oregon
My Commission expires:



STATE OF OREGON : COUNTY OF KLAMATH: ss.

Filed for record at request of Richard Fairclo the 26th day
of February A.D., 19 97 at 2:33 o'clock P. M., and duly recorded in Vol. M97
of Deeds on Page 5721

FEE

\$30.00

by Bernetha G. Letsch, County Clerk
[Signature]