

## NOTICE OF DEFAULT AND ELECTION TO SELL

RE: Trust Deed from Richard J. Carlton and Ardelle C. Carlton, Husband and Wife, Grantor  
TO Alan D. Clendenin and Mary Clendenin, as Tenants by the Entirety, Beneficiary

AFTER RECORDING RETURN TO:  
Spencer, Runnels, MacArthur & Porras  
419 Main Street  
Klamath Falls, OR 97601

## NOTICE OF DEFAULT AND ELECTION TO SELL

Reference is made to that certain trust deed made by RICHARD J. CARLTON and ARDELLE C. CARLTON, Husband and Wife, as grantor, to KEY TITLE COMPANY, an Oregon Corporation, as trustee, in favor of ALAN D. CLENDENIN and MARY CLENDENIN, as Tenants by the Entirety as beneficiary, dated September 19, 1996, recorded September 20, 1996, in the mortgage records of Klamath County, Oregon, in book/reel/volume No. M96 at page 29865, covering the following described real property situated in said county and state, to-wit:

Lots 9 and 10, Block 10, of SUN FOREST ESTATES, TRACT 1060, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

The undersigned hereby certifies that no assignments of the trust deed by the trustee or by the beneficiary and no appointments of a successor-trustee have been made except as recorded in the mortgage records of the county or counties in which the above described real property is situate; further, that no action has been instituted to recover the debt, or any part thereof, now remaining secured by the said trust deed, or, if such action has been instituted, such action has been dismissed.

There is a default by the grantor or other person owing an obligation, the performance of which is secured by said trust deed, or by their successor in interest, with respect to provisions therein which authorize sale in the event of default of such provision; the default for which foreclosure is made is grantor's failure to pay when due the following sums:

Taxes for the fiscal year 1995-1996, delinquent in the sum of \$32.08, plus interest.  
Taxes for the fiscal year 1996-1997, delinquent in the sum of \$52.28, plus interest.  
Taxes for the fiscal year 1996-1997, delinquent in the sum of \$826.84, plus interest.

Payment in the amount of \$15,000.00 due March 20, 1997.

By reason of said default, the beneficiary has declared all sums owing on the obligation secured by said trust deed immediately due and payable, said sums being the following, to-wit: \$62,924.78 as of May 7, 1997, plus interest.

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Notice hereby is given that the beneficiary and trustee, by reason of said default, have elected and do hereby elect to foreclose said trust deed by advertisement and sale pursuant to Oregon Revised Statutes Sections 86.705 to 86.795, and to cause to be sold at public auction to the highest bidder for case the interest in the said described property which the grantor had, or had the power to convey, at the time of the execution by him of the trust deed, together with any interest the grantor or his successors in interest acquired after the execution of the trust deed, to satisfy the obligations secured by said trust deed and the expenses of the sale, including the compensation of the trustee as provided by law, and the reasonable fees of trustee's attorney.

Said sale will be held at the hour of 10:00 o'clock, A.M., Standard Time as established by Section 187.110 of Oregon Revised Statutes on September 15, 1997, at the following place: 419 Main Street, in the City of Klamath Falls, County of Klamath, State of Oregon, which is the hour, date and place fixed by the trustee of said sale.

Other than as shown of record, neither the said beneficiary or the said trustee has any actual notice of any person having or claiming to have any lien upon or interest in the real property hereinabove described subsequent to the interest of the trustee in the trust deed, or of any successor in interest to the grantor or of any lessee or other person in possession of or occupying the property, except:

NAME AND LAST KNOWN ADDRESS	NATURE OF RIGHT, LIEN OR INTEREST
Richard J. Carlton P.O. Box 1116 LaPine, OR 97739	Default upon Trust Deed
Ardelle C. Carlton P.O. Box 1116 LaPine, OR 97739	Default upon Trust Deed
Richard J. Carlton 77812 Quaglia Lane Cottage Grove, OR 97424	Default upon Trust Deed
Ardelle C. Carlton 77812 Quaglia Lane Cottage Grove, OR 97424	Default upon Trust Deed

Notice is further given that any person named in Section 86.753 of Oregon Revised Statutes has the right, at any time prior to five days before the trustee conducts the sale, to have this foreclosure proceeding dismissed and the trust deed reinstated by payment to the beneficiary of the entire amount then due (other than such portion of the principal as would not then be due had no default occurred) and by curing any other default complained of herein that is capable of being cured by tendering the performance required under the obligation or trust deed, and in addition to paying said sums or tendering the performance necessary to cure the default, by paying all costs and expenses

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actually incurred in enforcing the obligation and trust deed, together with trustee's and attorney's fees not exceeding the amounts provided by said Section 86.753 of Oregon Revised Statutes.

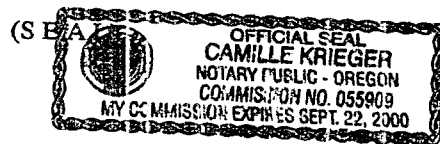
In construing this notice, the masculine gender includes the feminine and the neuter, the singular includes the plural, the word "grantor" includes any successor in interest to the grantor as well as any other person owing an obligation, the performance of which is secured by said trust deed, and the words "trustee" and "beneficiary" include their respective successors in interest, if any.

DATED: May 7, 1997.

Scott D. MacArthur  
Scott D. MacArthur  
Successor Trustee

STATE OF OREGON, County of Klamath) ss.

The foregoing instrument was acknowledged before me this 7th day of May, 1997, by Scott D. MacArthur.



Before me: Camille Krieger  
Notary Public for Oregon  
My Commission Expires: 9-22-2000

STATE OF OREGON, County of Klamath) ss.

I certify that the within instrument received for record on the 7th day Of May, 19 97, at 2:47 o'clock P.M., and recorded in book/reel/ volume No. M97 on page 139760 as fee/file/instrument/microfilm/reception No. 37289, Recorded of        of said County.  
Mortgages

Witness my hand and seal of County affixed.

Bernetha G. Letsch, Co. Clerk  
Name Title  
By Kathleen Ross Deputy

Fee: \$20.00