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Vol. M98 Page 10108

**NOTICE OF DEFAULT
AND ELECTION TO SELL**

RE: Trust Deed from
Diversified Assets, Inc., a
California Corporation

To Grantor
Carlton D. Warren
850 N.E. 122nd Avenue
Portland, OR 97230

Trustee
Carlton D. Warren
850 NE 122nd Avenue
Portland, OR 97230

SPACE RESERVED
FOR
RECORDER'S USE

STATE OF OREGON, } ss.
County of _____
I certify that the within instrument
was received for record on the _____ day
of _____, 19____, at
_____ o'clock _____ M., and recorded in
book/reel/volume No. _____ on page
_____ and/or as fee/file/instru-
ment/microfilm/reception No. _____,
Records of said County.
Witness my hand and seal of County
affixed.

NAME _____ TITLE _____
By _____, Deputy.

ATC #982086

Reference is made to that certain trust deed made by Diversified Assets, Inc., a California
corporation, as grantor, to
Carlton D. Warren, as trustee,
in favor of Mainlander Services Corporation, as beneficiary,

dated May 17, 1996, recorded May 23, 1996 in the Records of
Klamath County, Oregon, in book/reel/volume No. M96 at page 15024, and/or as
fee/file/instrument/microfilm/reception No. _____ (indicate which), covering the following described real property
situated in the above-mentioned county and state, to-wit: SEE EXHIBIT "A" ATTACHED HERETO AND IN-
CORPORATED, HEREIN AS THOUGH FULLY SET FORTH VERBATIM:
Said property is also known as 63 acres more or less at intersection Hwy. 97 and Hwy. 140.

The undersigned hereby certifies that no assignments of the trust deed by the trustee or by the beneficiary and no appoint-
ments of a successor trustee have been made, except as recorded in the Records of the county or counties in which the above-
described real property is situated. Further, no action has been instituted to recover the debt, or any part thereof, now remaining
secured by the trust deed, or, if such action has been instituted, such action has been dismissed except as permitted by ORS 86.735(4).

There is a default by grantor or other person owing an obligation, performance of which is secured by the trust deed, or by
the 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: Failure to make required
Note payments due on 1/7/98 in the amount of \$2,963.00 and a similar amount
on the 17th of each month thereafter; failure to pay late charges commenc-
ing February 2, 1998 in the amount of \$148.15 each and on the 2nd day of
each month thereafter and failure to pay company mailing expense of \$2.77
and failure to pay default interest in the amount of 3% per annum on
\$221,072.37 commencing 2/19/98 until paid and if reinstatement does not
occur, an amount equal to 5% late charges on \$221,072.37.

By reason of the default, the beneficiary has declared all sums owing on the obligation secured by the trust deed immediately
due and payable, those sums being the following, to-wit: Principal of \$221,072.37 plus accrued in-
terest to 2/19/98 of \$5,803.15 plus mailing expense of \$2.77 plus interest
at the rate of 18% per annum on the said principal amount commencing 2/19/98
compounded monthly on the 17th day of each month plus late charge of 5% on
the principal amount if the loan is not reinstated plus late charges of
\$148.15 per month commencing 2/2/98 until paid together with any and all
lender advances, costs, expenses and attorney's fees relating to the loan
and this foreclosure.

(OVER)

100

The SW 1/4 SW 1/4 of Section 27, Township 38 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

The NW 1/4 NW 1/4 of Section 34, Township 38 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

EXCEPTING the following described parcels of land:

Beginning at the 1/16 section corner in the center of the NW 1/4 of Section 34; thence North 89 degrees 25' West 561.1 feet; thence North 0 degrees 19' West 776.3 feet; thence South 89 degrees 25' East 561.1 feet; thence South 0 degrees 19' East 776.3 feet to the point of beginning.

Beginning at the Southwest corner of the said NW 1/4 NW 1/4; thence North 0 degrees 28' West 253 feet to the Northerly right of way line of the State Highway; thence along said right of way line South 73 degrees 47' 15" East on the long chord of a curve to the right a distance of 188.1 feet; thence on a 1592.4 foot radius curve right (the long chord of which bears South 67 degrees 29' 15" East 182.1 feet) a distance of 102.2 feet; thence South 73 degrees 31' East 368.5 feet to the North line of a county road; thence South 89 degrees 46' East 70 feet to the East line of I.L.C. Gooding property; thence South 0 degrees 19' East 30 feet to the South line of said NW 1/4 NW 1/4; thence North 89 degrees 46' West 775.9 feet along the South line of said NW 1/4 NW 1/4 to the place of beginning.

ALSO SAVING AND EXCEPTING that portion deeded to the State of Oregon by and through its State Highway Commission by deed recorded January 29, 1965 in Book 359 at Page 112, Deed Records of Klamath County, Oregon.

AND FURTHER SAVING AND EXCEPTING the North 60 feet of the NW 1/4 NW 1/4 of Section 34, Township 38 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

AND FURTHER SAVING AND EXCEPTING that portion deeded to Klamath County by deed recorded September 3, 1992 in Book M-92 at Page 20200.

CODE 156 MAP 3809-2700 TL 600 15
CODE 154 MAP 3809-34BB TL 200 4

Permitted Encumbrances: Rights of the public in and to any portion of the property lying within the boundaries of roads or highways; Easement recorded August 1, 1942 at Book 149 Page 54; Easement recorded February 4, 1944 at Book 162 Page 113; Easement recorded December 23, 1960 at Book 327 Page 289; Reservation in deed recorded January 29, 1965 at Book 359 Page 112; Trust Deed recorded October 3, 1990 at Book M-90 Page 19987

All book and page references are to the real property records of the County of Klamath, State of Oregon.

EXHIBIT A
PAGE 1

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Aspen Title & Escrow the 30th day
of March A.D., 19 98 at 11:09 o'clock A.M., and duly recorded in Vol. M98
of Mortgages on Page 10108

FEE \$20.00

By Bernetha G. Letsch, County Clerk
Kathleen Ross