

NOTICE OF DEFAULT AND ELECTION TO SELL

RE: Trust Deed from Carl B. Thornton, Grantor
To LeeRoy Blue and Leona Gertrude Heer Blue, Trustees of the LeeRoy Blue Family Trust,
dated October 5, 1989, Beneficiary

AFTER RECORDING RETURN TO:
Scott D. MacArthur, P.C.
280 Main Street
Klamath Falls, OR 97601

NOTICE OF DEFAULT AND ELECTION TO SELL

Reference is made to that certain trust deed made by CARL B. THORNTON, as grantor, to KLAMATH COUNTY TITLE COMPANY, as trustee, in favor of LEEROY BLUE and LEONA GERTRUDE HEIR BLUE, TRUSTEES OF THE BLUE FAMILY TRUST dated October 5, 1989, as beneficiary, dated August 17, 1994, recorded November 10, 1994, in the mortgage records of Klamath County, Oregon, in book/reel/volume No. M94 at page 31604, covering the following described real property situated in said county and state, to-wit:

SEE EXHIBIT "A"

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:

Payments in the amount of \$142.34 per month from November 1997 to the present.

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: \$9,365.43 as of November 3, 1997, plus interest.

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 October 9, 1998, at the following place: 280 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

Carl B. Thornton
4212 Homedale Rd
Klamath Falls, OR 97603

Default upon Trust Deed

Timm Burr Inc., an Oregon Corporation
P.O. Box 1329
Klamath Falls, OR 97601

Successor in Interest, as to an undivided 2/3 interest.

Star and Associates, Inc.,
123 N. 4th Street
Klamath Falls, OR 97601

Successor in Interest, as to an undivided 1/3 Interest

Gregory J. Decker
4507 Laverne Avenue
Klamath Falls, OR 97603

Pending Matter in the Klamath County Circuit Court, Case No. 9600930 CV

State Employment Department
875 Union Street NE, Room 107
Salem, OR 97311

Tax Warrant #49794, Dated October 31, 1996
Recorded November 15, 1996, M96, Page 36000, Star And Associates, Inc.

Internal Revenue Service
915 Second Avenue M/S 245
Seattle, WA 98174

Federal Tax Lien #919729893, Identification No. #93-1170793, Recorded March 28, 1997, M97, Page 9070, Star and Associates, Inc.

Oregon Dept. of Revenue
Medford District Office
24 West Sixth Street
Medford, OR 97501-2705

State Revenue Warrant No. DE-95-104198
Entered 08/21/97, Recorded August 19, 1997
M97, Page 27181, Timm Burr, Inc.

Oregon Dept. of Revenue
Medford District Office
24 West Sixth Street
Medford, OR 97501-2705

State Revenue Warrant No. DA-95-104197
Entered 08/21/97, Recorded August 19, 1997
M97, Page 27182, Timm Burr, Inc.

Oregon Dept. of Revenue
Medford District Office
24 West Sixth Street
Medford, OR 97501-2705

State Revenue Warrant No. DE-94-104196
Entered 08/21/97, Recorded August 19, 1997
M97, Page 27183, Timm Burr, Inc.

Oregon Dept. of Revenue
Medford District Office
24 West Sixth Street
Medford, OR 97501-2705

State Revenue Warrant No. DA-95-104195
Entered 08/21/97, Recorded August 19, 1997
M97, Page 27184, Timm Burr, Inc.

Oregon Dept. of Revenue
Medford District Office
24 West Sixth Street
Medford, OR 97501-2705

State Revenue Reference No. R 0683199-3 250
95 06 1, Entered 09/15/97, Recorded
September 18, 1997, M97, Page 27182, Timm
Burr, Inc.

Marcee Tarr-Williams
C/O Thomas Howser
P. O. Box 640
Ashland, OR 97520

Pending matter in the Klamath County Circuit
Court, Case No. 9801293 CV

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 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,

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and the words "trustee" and "beneficiary" include their respective successors in interest, if any.

DATED: June 1, 1998.

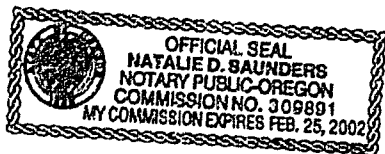
Scott D. MacArthur

Scott D. MacArthur
Successor Trustee

STATE OF OREGON, County of Klamath) ss.

The foregoing instrument was acknowledged before me this 1 day of June 1998, by Scott D. MacArthur.

(SEAL)



Before me: *Natalie D. Saunders*
Notary Public for Oregon
My Commission Expires: Feb 25, 02

STATE OF OREGON, County of Klamath)ss.

I certify that the within instrument received for record on the ____ day
Of ____, 19__, at ____ o'clock __ M., and recorded in book/reel/
volume No. ____ on page ____ or as fee/file/instrument/microfilm/reception
No. ____, Recorded of Deeds of said County.

Witness my hand and seal of County affixed.

Name _____ Title _____
By _____ Deputy _____

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EXHIBIT "A"

That portion of the NW $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 28, Township 34 South, Range 7 East of the Willamette Meridian, in the County of Klamath, State of Oregon lying Westerly of State Highway 97 and Easterly of a dirt road, being more particularly described as follows:

Beginning at an iron pin on the intersection of the Westerly right of way of said Highway 97 and the North line of said NW $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 28; thence North 89°14'34" West, 418.97 feet to a point; thence South 10°27' East 370.78 feet to a point; thence South 3°40' West 306.25 feet, more or less, to a point on the South line of said NW $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 28; thence South 89°41'56" East 360.13 feet, more or less, along said South line to an iron pin on the Westerly right of way line of said Highway 97; thence Northerly along said highway right of way to the point of beginning.

EXCEPTING from the above described property that portion conveyed to the State of Oregon, by and through its Department of Transportation, Highway Division by Warranty Deed recorded June 26, 1990 in Volume M90 page 12549, Deed records of Klamath County, Oregon.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Scott D. MacArthur the 2nd day
of June A.D., 19 98 at 11:48 o'clock A. M., and duly recorded in Vol. M98
of Mortgages on Page 18613

FEE \$30.00

By Bernetha G. Letsch County Clerk