

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: Carl E. Yarbro and Debbie J. Yarbro, husband and wife
- (B) SELLER: Luther R. Cole, Jr. and Catherine Cole, husband and wife
- (C) MEMORANDUM OF CONTRACT RECORDED: November 29, 1984,
at Volume M84,
Page 20077,
Records of Klamath County,
Oregon

(D) AMOUNT AND TERMS OF CONTRACT:

The total purchase price of said property is \$11,500 and payable as follows:
(a) \$900 which has been received in the form of the down payment, the value and receipt of which is hereby agreed and acknowledged by sellers.

(b) The balance of the purchase price in the amount of \$10,600 is payable in monthly installments of not less than \$125 with the first installment payable on the 15th day of January, 1985, and a like payment on the 15th day of each and every month thereafter until paid in full.

(c) Each monthly installment shall include interest at the rate of 12 percent per annum and each payment shall be credited first to interest and the balance to the unpaid principal. Interest shall commence this date.

(d) The purchasers shall have the privilege of prepaying any or all of the unpaid principal before maturity and the interest shall be calculated on such deferred payments to the time of payment.

(E) PROPERTY COVERED BY CONTRACT:

Lot 2 in Block 2 of NORTH BLY, according to the official plat thereof n file int he office of the County Clerk of Klamath County, Oregon.

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

(A) The regular monthly payments due November 15, 1992, and each and every month thereafter, for a total \$9,379.70.

(B) Real property taxes for the year 1995 and previous years for a total arrearage of \$1,300; real property taxes for the year 1995-96, in the amount of \$198.42; real property taxes for the year 1996-97 in the amount of \$327.38; real property taxes for the year 1997-98 in the amount of \$199.95; and real property taxes for 1997 and 1998 in the sum of \$206.13.

3. SUM OWING ON OBLIGATION: Principal balance of \$9,379.70

Page -1-

Richard Faircl
Attorney at Law
230 Main Street
Klamath Falls OR 97601

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with interest at 12 percent per annum from April 14, 1991.


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 October 16, 1998.

(The period specified shall be not less than 60 days, when the purchaser has reduced the unpaid balance to an amount greater than 75 percent of the purchase price, 90 days when the purchaser has reduced the unpaid balance to an amount which is more than 50 percent but less than 75 percent of the purchase price or 120 days when the purchaser has reduced the unpaid balance to an amount which is 50 percent or less of the purchase price.)

6. **NAME AND ADDRESS OF SELLER'S ATTORNEY:** Richard Fairclo,
 280 Main Street, Klamath Falls, OR 97601

A copy of this Notice, together with an Affidavit of Mailing shall be recorded.

To be sent by both first class and certified mail with return receipt requested at the last known address or served pursuant to ORCP 7D (2) and 7D (3) to be sent to the purchaser, occupant of the property, any person who has filed of record the request for notice of default, and others shown in title report.

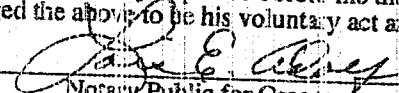

 Richard Fairclo
 Attorney for Seller

STATE OF OREGON

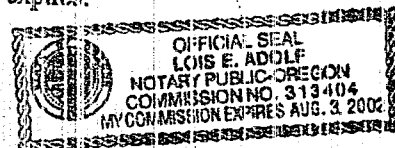
County of Klamath

] ss.
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On this 13th day of August, 1998, 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 OR 97601



PROOF OF MAILING NOTICE OF DEFAULT
AND FORFEITURE OF CONTRACT

STATE OF OREGON

County of Klamath

I, RICHARD FAIRCLO, being first duly sworn, depose and say:

That I am the attorney for Luther R. Cole, Jr., and Catherine Cole, Husband and Wife, Seller under a Contract between Luther R. Cole, Jr., and Catherine Cole, Husband and Wife, as Sellers, and Carl E. Yarbrow and Debbie J. Yarbrow, Husband and Wife, as Purchasers. A memorandum of said contract was recorded November 29, 1984, in Vol. M84, page 20077, Deed Records, Klamath County, Oregon, covering the following-described real property:

Lot 2, Block 2, NORTH BLY, in the County of Klamath, State of Oregon.

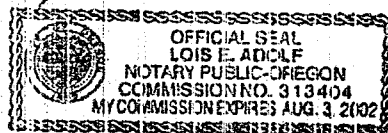
TOGETHER with all improvements on said real property presently existing or which may be hereafter added to said real property.

I hereby certify that I mailed, by first class mail and by certified mail, return receipt requested, a copy of the attached 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:
8/13/98	Carl E. Yarbrow	719 No. 15th Street Waco TX 76707
8/13/98	Debbie J. Yarbrow	719 No. 15th Street Waco TX 76707
8/13/98	Christina A. Lamere	c/o C.S.E. P.O. Box 11130 Reno NV 89520
8/13/98	State of Oregon, Department of Human Resources	39 North Central Medford OR 97501
8/13/98	Tammy Scott (occupant) and other occupants	P.O. Box 487 Bly, Oregon 97622

SUBSCRIBED AND SWORN to before me this 13th day of August, 1998.

Lois E. Adole
Notary Public of Oregon
My Commission expires:



STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Richard Fairclo the 13th day
of Aug A.D., 19 98 at 1:15 o'clock P. M., and duly recorded in Vol. M98
of Deeds on Page 29781

FEE \$20.00

By Berriha G. Jensch County Clerk
Kathleen Rossi