#### NOTICE TO DEFAULT AND FORFEITURE

Seller under the contract described below declares Purchaser is in default for the reasons set forth herein under ORS 93.905 through 93.945.

#### DESCRIPTION OF CONTRACT:

A. PURCHASERS: Jesse M. Bailey and Hilda Bailey, aka Hilde Bailey

Purchaser's interest assigned to Klamath Leasing Company, Inc., an Oregon corporation on July 13, 1982 recorded on August 3, 1982 in Volume M82 at page 9903. Decd records of Klamath County, Oregon.

- B. SELLER: William T. Merrill and Pauline L. Merrill, as Tenants by the Entirety
- C. CONTRACT RECORDED: July 31, 1980, Volume M80, page 14198, Deed of records of Klamath County, dated September 19, 1979
- D. AMOUNT AND TERMS OF CONTRACT: \$1,000 down, balance of \$15,325 at \$150 per month starting October 20, 1979 until paid including 8.5% interest per annum.
- E. PROPERTY COVERED BY CONTRACT: See attached Exhibit 1, incorporated by this reference

# 2. NATURE AND AMOUNT OF DEFAULT:

Failure to pay:

- A. The regular monthly payments due at \$150 since August 20, 1997
- B. Real property taxes in the sum of \$656.68 plus interest to date
- SUM OWING ON OBLIGATION: Principal balance on \$4,938.47 plus interest at 8.5% per annum from November 20, 1997, plus taxes, afterney fees and foreclosure costs.
- DATE AFTER WHICH CONTRACT FORFEITED IF DEFAULT NOT CURED: July 1, 1999 at 3:00 p.m., PST

Unless the default is cured as set forth in paragraph 5 of this Notice, the Purchaser and all persons claiming through the Purchaser, including their assignee, shall have no further rights in the contract or the property and no person shall have any right to redeem the property. 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 under the terms of the contract.

# 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 attorney fees, costs and expenses actually incurred in enforcing the contract on or before July 1, 1999 at 3:00 p.m., PST.

- AMOUNT TO CURE: \$2,700.00 to February 20, 1999, plus attorney fees of \$350.00. A. \$200.00 title report fees and \$75.00 recording fees
- NAME AND ADDRESS OF SELLER'S ATTORNEY: (Remit payment to this address) 6.

James R. Uerlings Boivin, Jones, Uerlings, Dilaconi & Oden, P.C. 110 N. 6th Street Klamath Falls, OR 97601

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

JAMES R. UERLINGS, OSP# 76030

Attorney for Seller

STATE OF OREGON

SS.

County of Klamath

On this 18 day of Jakanama, 1999 personally appeared before me the above named James R. Uerlings and acknowledge the above to be his voluntary act and deed.

NOTARY PUBLIC FOR OREGON My Commission Expires: Kd 246

AFTER RECORDING RETURN TO: James R. Uerlings 110 N 6th Street Klamath Falls, OR 97601

### Exhibit 1

A tract of land situated in Lot 3 of ALTAMONT SMALL FARMS, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon, said tract being more particularly described as follows:

Beginning at a point on the south line of said Lot 3, being S 88°46'35" E 264.00 feet from the southwest corner of said Lot 3; thence N 00°11'00" E 330.06 feet to the north line of said Lot 3; thence S 88°46'35" E 269.20 feet to the northeast corner of said Lot 3; thence S 00°11'00" W 330.06 feet to the southeast corner of said Lot 3; thence N 88°46'35" W 369.20 feet to the southeast corner of said Lot 3; thence N 88°46'35" W 369.20 feet to the point of beginning.

TOGETHER WITH a 30-foot easement for ingress and egress described as follows: beginning at the southwest corner of said Lot 3; thence N 00°11'00" E 30.00 feet; thence S 88°46'35" E parallel to the southerly line of said Lot 3, 264.00 feet; thence S 00°11'00" W 30.00 feet to the said southerly line; thence N 88°46'35" W 264.00 feet to the point of beginning, with bearings based on recorded survey no. 2214, as recorded in office of the Klamath County Surveyor.

	AMERICA I TO SECOND OF MARKET	AND FORFEITURE OF CONTRACT
STATE OF OREGON )		
)ss	§.	
County of Klamath )		
and Pauline L. Merrill, Seller	rs under a contract between, Willia hiley, aka Hilde Bailey, Purchaser beed Records, Klamath County, O	nd say: That I am the attorney for William T. Merrill am T. Merrill and Pauline L. Merrill, Sellers, and s. The contract was recorded on July 31, 1980 in regon, covering the following described real property
thereof on file in the	e office of the County Clerk of Kl	ONT SMALL FARMS, according to the official plat amath County, Oregon, said tract being more
particularly describe	ed as follows:	
corner of said Lot 3 E 269.20 feet to the corner of said Lot 3	; thence N 00°11'00" E 330.06 fe	eeing S 88°46'35° E 264.00 feet from the southwest et to the north line of said Lot 3; thence S 88°46'35" ence S 00°11'00" W 330.06 feet to the southeast eet to the southeast corner of said Lot 3; thence N
southwest corner of southerly line of sai N 88°46'35" W 264	f said Lot 3; thence N 00°11'00" Fid Lot 3, 264,00 feet; thence S 00'	nd egress described as follows: beginning at the 2 30.00 feet; thence S 88°46'35" E parallel to the °11'00" W 30.00 feet to the said southerly line; thence is, with bearings based on recorded survey no. 2214, as
Together with all it to said real property.	nprovements on said real property	y presently existing or which may be hereafter added
I hereby certify tha	t I mailed by first class mail and b	by certified mail, return receipt requested a copy of the
attached NOTICE OF DEFA	AULT AND FORFEITURE to the known address to the Seller, by p	e persons listed below, on the date and to the address placing said NOTICE in a sealed envelope with postag
attached NOTICE OF DEF/ indicated which was the last fully paid thereon, and depo	AULT AND FORFEITURE to the known address to the Seller, by parting the same in the United State	e persons listed below, on the date and to the address placing said NOTICE in a sealed envelope with postages Mail.
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attached NOTICE OF DEF/indicated which was the last fully paid thereon, and depote Klamath Leasing Company, c/o Sway-Tamer, Inc. PO Box 8042 Klumath Falls, OR 97602	AULT AND FORFEITURE to the known address to the Seller, by positing the same in the United State.  Inc. Klamath Leasing Comparc/o Reuben V. Horn Registered Agent 2250 S 6th Street Klamath Falls, OR 97603	e persons listed below, on the date and to the address olacing said NOTICE in a sealed envelope with postages Mail.  ny, Inc.  Klamath Leasing Company, Inc.  c/o Reuben V. Horn  Registered Agent  3633 Eberlein Avenue
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