

## 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.

## 1. 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, Deed 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

3. SUM OWING ON OBLIGATION: Principal balance on \$4,938.47 plus interest at 8.5% per annum from November 20, 1997, plus taxes, attorney fees and foreclosure costs.

4. 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.


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A. AMOUNT TO CURE: \$2,700.00 to February 20, 1999, plus attorney fees of \$350.00.  
\$200.00 title report fees and \$75.00 recording fees

6. NAME AND ADDRESS OF SELLER'S ATTORNEY: (Remit payment to this address)

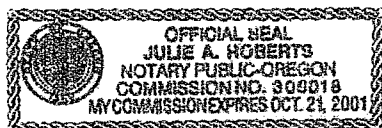
James R. Uerlings  
Boivin, Jones, Uerlings, Dilaconi & Oden, P.C.  
110 N. 6<sup>th</sup> Street  
Klamath Falls, OR 97601

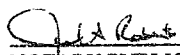
A copy of this Notice, together with an Affidavit of Mailing shall be recorded.

  
JAMES R. UERLINGS, OSB# 76030  
Attorney for Seller

STATE OF OREGON     )  
                                  )ss.  
County of Klamath     )

On this 15<sup>th</sup> day of February, 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: 10/21/01

AFTER RECORDING RETURN TO:  
James R. Uerlings  
110 N 6<sup>th</sup> 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.

# PROOF OF MAILING NOTICE OF DEFAULT AND FORFEITURE OF CONTRACT

STATE OF OREGON     )  
                                  )ss.  
County of Klamath     )

I, James R. Uerlings, being first duly sworn, depose and say: That I am the attorney for William T. Merrill and Pauline L. Merrill, Sellers under a contract between, William T. Merrill and Pauline L. Merrill, Sellers, and Jesse M. Bailey and Hilda Bailey, aka Hilde Bailey, Purchasers. The contract was recorded on July 31, 1980 in Volume M80, page 14198, Deed Records, Klamath County, Oregon, covering the following described real property in Klamath County, Oregon.

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.

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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 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.

Klamath Leasing Company, Inc.  
c/o Sway-Tamer, Inc.  
PO Box 8042  
Klamath Falls, OR 97602

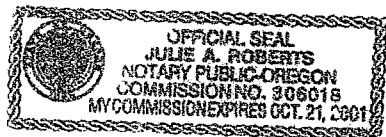
Klamath Leasing Company, Inc.  
c/o Reuben V. Horn  
Registered Agent  
2250 S 6<sup>th</sup> Street  
Klamath Falls, OR 97603

Klamath Leasing Company, Inc.  
c/o Reuben V. Horn  
Registered Agent  
3633 Eberlein Avenue  
Klamath Falls, OR 97603

DATED this 18 day of February, 1999.

  
JAMES R. UERLINGS

SUBSCRIBED AND SWORN to before me this 18 day of February, 1999.



  
NOTARY PUBLIC FOR OREGON  
My Commission Expires: 10/21/2001

STATE OF OREGON - COUNTY OF KLAMATH:     ss.

Filed for record at request of James R. Uerlings the 19th day  
of February A.D., 1999 at 11:36 o'clock A.M. and duly recorded in Vol. M99  
of Deeds on Page 5750

Linda Smith, County Clerk

FEE \$25.00

by Kathleen Ross