

NOTICE OF DEFAULT AND ELECTION TO SELL

Reference is made to that certain trust deed made by FAWN M. PAYTON Grantor, KLAMATH COUNTY TITLE COMPANY as the trustee, and CHARLENE A. SKELLHAM is the beneficiary under that certain trust deed dated September 14, 1996, and recorded September 20, 1996, in Volume No. M96 page 29886, Microfilm Records of Klamath County, Oregon, covering the following-described real property.

Lots 12, 13, and 14, Block 105, Klamath Falls Forest Estates, Highway 66 Unit, Plat #4, according to the official plat thereof on file in the office of the County Clerk, Klamath County, Oregon.

Both the beneficiary and the trustee have elected to sell the said real property to satisfy the obligations secured by said trust deed and a notice of default has been recorded pursuant to Oregon Revised Statutes 86.735(3); the default of which the foreclosure is made is grantor's failure to pay when due the following sums:

Payments in the amount of \$247.10 due and payable on March 25, 2000, and each and every month thereafter, plus interest in the amount of 10.5 percent per annum from October 13, 1999, plus real property taxes for the fiscal year 1998-99 in the amount of \$42.57 plus interest, taxes for the year 1999-2000 in the amount of \$43.14 plus interest, taxes for the year 2000-2001 in the amount of \$41.24 plus interest (Lot 12); (Account No. 3711-36B-5400; Key No. 403753); Also real estate taxes for the year 1998-99 in the amount of \$42.57 plus interest, Code No. 36, (Account No. 3711-36B-5300; Key No. 403744) (Lot 13), Taxes for the year 1999-2000, in the amount of \$43.14 plus interest, and taxes for the year 2000-2001 in the amount of \$41.24 plus interest. Also taxes for the year 1998-99 in the amount of \$42.57 plus interest; Code No. 36, (Account No. 3711-36B-5600; Key No. 403735); Taxes for the year 1999-2000, in the amount of \$43.14 plus interest, taxes for the year 2000-2001 in the amount of \$43.14 plus interest.

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:

Principal amount of \$23,000 plus interest in the amount of \$3,052.07 plus interest in the amount of \$6.6164 per day from January 17, 2001; plus real property taxes for the fiscal year 1998-99 in the amount of \$42.57 plus interest, taxes for the year 1999-2000 in the amount of \$43.14 plus interest, taxes for the year 2000-2001 in the amount of \$41.24 plus interest (Lot 12); (Account No. 3711-36B-5400; Key No. 403753); Also real estate taxes for the year 1998-99 in the amount of \$42.57 plus interest, Code No. 36, (Account No. 3711-36B-5300; Key No. 403744) (Lot 13), Taxes for the year 1999-2000, in the amount of \$43.14 plus interest, and taxes for the year 2000-2001 in the amount of \$41.24 plus interest. Also taxes for the year 1998-99 in the amount of \$42.57 plus interest; Code No. 36, (Account No. 3711-36B-5600; Key No. 403735); Taxes for the year 1999-2000, in the amount of \$43.14 plus interest, taxes for the year 2000-2001 in the amount of \$43.14 plus interest.

WHEREFORE, notice hereby is given that the undersigned trustee will on June 6, 2001, at the hour of 10:00 o'clock, A.M., in accord with the standard of time established by ORS 187.110, at Klamath County Courthouse front steps, 316 Main Street in the City of Klamath Falls, County of Klamath, State of Oregon, sell at public auction to the highest bidder for cash the interest in the said described real property which the grantor had or had

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R Richard Fairclo
Attorney at Law
280 Main Street
Klamath Falls OR 97601

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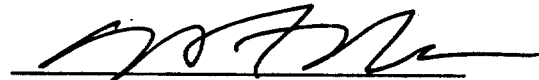
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power to convey at the time of the execution by him of the said trust deed, together with any interest which the grantor or his successors in interest acquired after the execution of said trust deed, to satisfy the foregoing obligations thereby secured and the costs and expenses of sale, including a reasonable charge by the trustee. Notice is further given that any person named in ORS 86.753 has the right, at any time prior to five days before the date last set for 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 to 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 of 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 ORS 86.753.

We are attempting to collect a debt and any information we obtain will be used for that purpose.

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 which is secured by said trust deed, and the words "trustee" and "beneficiary" include their respective successors in interest, if any.

DATED: 1/19/11


Successor Trustee

AFFIDAVIT OF MAILING TRUSTEE'S NOTICE OF SALE

STATE OF OREGON]
] ss.
 County of Klamath]

I, RICHARD FAIRCLO, being duly sworn, depose and say and certify that:

At all times hereinafter mentioned I was and am now a resident of the State of Oregon, a competent person over the age of eighteen years and not the beneficiary or his successor of interest named in the attached original notice of sale given under the terms of that certain trust deed described in said notice.

I gave notice of the sale of the real property described in the attached notice of sale by mailing a copy thereof by both first class and certified mail with return receipt requested to each of the following named persons at their respective last known addresses, to-wit:

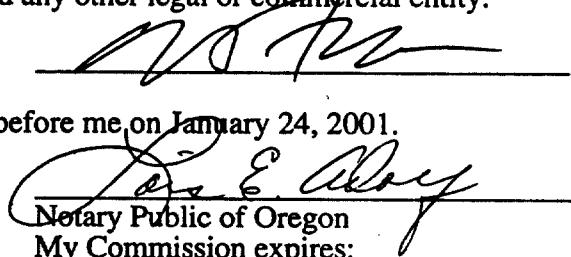
Fawn M. Payton
 2803 Highway 42
 PO Box 3245
 Coos Bay OR 97420

Said persons include (a) the grantor in the trust deed, (b) any successor in interest to the grantor whose interest appears of record or of whose interest the trustee or the beneficiary has actual notice (c) any person, including the Department of Revenue or any other state agency, having a lien or interest, subsequent to the trust deed if the lien or interest appears of record of the beneficiary has actual notice of the lien or interest, and (d) any person request notice, as required by ORS 86.785.

Each of the notices so mailed was certified to be true copy of the original notice of sale by RICHARD FAIRCLO, attorney for the trustee named in said notice; each such copy was contained in a sealed envelope, with postage thereon fully prepaid, and was deposited by me in the United States Post Office at Klamath Falls, Oregon, January 24, 2001, as mailed with a proper form to request and obtain a return receipt and postage thereon in the amount sufficient to accomplish the same. Each of said notices was mailed after the notice of default and election to sell described in said notice of sale was recorded.

As used herein, the singular includes the plural, trustee includes successor trustee, and person includes corporation and any other legal or commercial entity.

SUBSCRIBED AND SWORN to before me on January 24, 2001.


 Notary Public of Oregon
 My Commission expires:

State of Oregon, County of Klamath
 Recorded 01/25/01, at 9:08 a.m.
 In Vol. M01 Page 3011
 Linda Smith,
 County Clerk Fee\$ 15⁰⁰

