

After recording, return to:  
William M. Ganong  
Attorney at Law  
514 Walnut Avenue  
Klamath Falls OR 97601

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**NOTICE OF DEFAULT AND ELECTION TO SELL**

Pursuant to ORS 86.705-795, the undersigned Trustee and the Beneficiary have elected to foreclose the following described Trust Deed in the manner provided by said statute.

1. A. Grantor: Kim R. Franco

B. Trustee: William M. Ganong

C. Beneficiary: Riley C. Mattson

2. The legal description of the property covered by the subject Trust Deed is:

See Exhibit "A" attached hereto and incorporated herein by this reference.

Klamath County Assessor's Account No.  
3909-4AA-5800

The book, page number, and the date the subject Trust Deed was recorded in the Mortgage Records of Klamath County, Oregon are:

Book: M99      Page: 15354      Date Recorded: April 26, 1999

3. The default for which the foreclosure is made is the Grantor's failure to make the third lump sum payment of \$5,000 which was due October 26, 2000, plus a late payment penalty of \$250; and Grantor's failure to pay the real property taxes and assessments levied against the real property for the tax years 1999-2000 and 2000-2001 before they became delinquent.

4. The amount owing on the obligation secured by the subject Trust Deed as of January 15, 2001 is \$269,798.92, plus interest at the note rate of 9.0% per annum from January 15, 2001 until paid; and real property taxes and assessments for the tax years 1999-2000 and 2000-2001 in the total sum of \$4,028.10, plus interest thereon from January 10, 2001, which are due and payable by the Grantor as provided in said Trust Deed.

36<sup>02</sup>✓

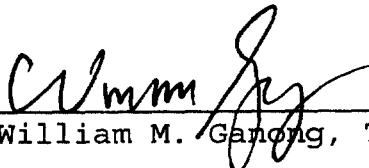
5. The Beneficiary and the Trustee have elected to foreclose the above referenced Trust Deed pursuant to the provisions of Oregon Revised Statutes 86.705 to 86.795.

6. The Trustee will conduct a sale of the above described property at 10:00 a.m. on the 26th day of June, 2001, at the front entrance to the office of William M. Ganong at 514 Walnut Avenue, Klamath Falls, Oregon.

7. Pursuant to ORS 86.753, the Grantor, the Grantor's successor in interest to all or any part of the above described property, any beneficiary under a subordinate Trust Deed, or any person having a subordinate lien or encumbrance of record on the property, may cure the default or defaults at any time prior to five days before the above said date of sale by paying the entire amount due at the time of cure under the terms of the obligation, other than such portion as would not then be due had no default occurred. In addition, the person affecting the cure shall pay all costs and expenses actually incurred in enforcing the obligation and Trust Deed, together with the Trustee's and Attorney's fees specified in the said statute.

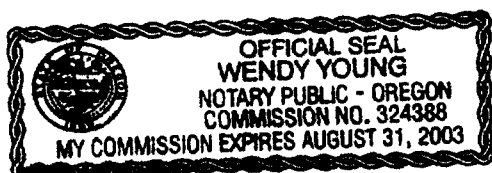
In construing this instrument, the masculine gender includes the feminine and the neuter, the singular includes the plural, the word "grantor" includes any successor in interest to the grantor as well as any other persons owing an obligation, the performance of which is secured by said Trust Deed, the words "trustee" and "beneficiary" include their respective successors in interest, if any.

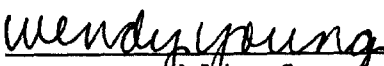
Dated this 26<sup>th</sup> day of February, 2001.

  
William M. Ganong, Trustee

STATE OF OREGON, County of Klamath) ss.

Personally appeared this 26<sup>th</sup> day of February, 2001, the above named William M. Ganong, Trustee, and acknowledged the foregoing instrument to be his voluntary act and deed.



  
Notary Public for Oregon  
My commission expires: 8-31-2003

## PARCEL 1:

That certain piece or parcel of land in the County of Klamath, State of Oregon, described as follows:

Beginning at a point on the Northerly boundary of Tract 805, ENTERPRISE TRACTS, which point is South 55 degrees 08' East a distance of 225 feet from the most Northerly corner of said Tract 805, and which point of beginning is the Northeasterly corner of a parcel of land deeded by Ralph W. Stearns to S. Marie Stearns, and recorded in Book 105 at Page 93, Deed Records of Klamath County, Oregon; thence South 55 degrees 18' East, along the Northerly boundary of said Tract 805, a distance of 50 feet; thence South 34 degrees 52' West at right angles to said Northerly boundary a distance of 200 feet; thence North 55 degrees 08' West parallel to said Northerly boundary, a distance of 135.6 feet, more or less, to the Westerly boundary of said Tract 805; thence North along said Westerly boundary a distance of 85.32 feet, more or less, to the Southwesterly corner of a parcel of land deeded by R. H. Bunnell to Kate Fales and recorded in Book 106 at Page 286, Deed Records of Klamath County, Oregon; thence South 55 degrees 08' East, parallel to said Northerly boundary a distance of 134.4 feet to the Southeasterly corner of said S. Marie Stearns property; thence North 34 degrees 52' East 130 feet to the point of beginning, being a portion of said Tract 805.

EXCEPTING THEREFROM that portion conveyed to the State of Oregon by and through its State Highway Commission by deed recorded June 26, 1946 in Book 191 at Page 240, Deed Records of Klamath County, Oregon.

## PARCEL 2:

Beginning at a point on the Southwesterly boundary line of the right of way of the Dalles-California Highway from which the intersection of the said boundary line with the Section line marking the boundary between Sections 3 and 4, Township 39 South, Range 9 East of the Willamette Meridian bears South 55 degrees 52' East 570.0 feet distant, running thence South 34 degrees 08' West at right angles to the said boundary line 130.0 feet; thence North 55 degrees 52' West, parallel with the said boundary line 100.00 feet; thence North 34 degrees 08' East 130.0 feet, to a point in the said boundary line; thence South 55 degrees 52' East, along the said boundary line 100.0 feet to the point of beginning, and being a portion of Tract 805 of the ENTERPRISE TRACTS.

Continued on next page

EXCEPTING THEREFROM that portion conveyed to the State of Oregon, by and through its State Highway Commission by deed recorded May 22, 1943 in Book 155 at Page 380, Deed Records of Klamath County, Oregon.

CODE 1 MAP 3909-4AA TL 5800

And also all of the Grantor's rights as the Assignee of that certain unrecorded Lease dated February 28, 1996, between National Advertising Company, Lessee, and Riley C. Mattson, Lessor, disclosed in the Assignment of Lease recorded April 26, 1999 in Book M99 at Page 15358 of the Microfilm Records of the Clerk of Klamath County, Oregon.

State of Oregon, County of Klamath  
Recorded 02/08/01, at 12:38 p m.  
In Vol. M01 Page 5066  
*Linda Smith,*  
County Clerk Fee\$ 36<sup>00</sup>