

NOTICE OF DEFAULT AND ELECTION TO SELL

RE: Trust Deed from Damron W. Alto and Michelle E. McClellen-Alto, Grantor
TO Leigh R. Grass and Doris Lee Grass, individually and as Trustees or their successors in Trust, under the
Grass Loving Trust dated April 13, 1995 and any amendments thereof, Beneficiary

AFTER RECORDING RETURN TO:

ocll
Scott D. MacArthur, P.C.
280 Main Street
Klamath Falls, OR 97601

NOTICE OF DEFAULT AND ELECTION TO SELL

KNOW ALL MEN BY THESE PRESENTS, that DAMRON W. ALTO and MICHELLE E. McCLELLEN-ALTO, is the grantor, and ASPEN TITLE AND ESCROW, INC., is the trustee, and LEIGH R. GRASS and DORIS LEE GRASS, individually and as Trustees or their successors in Trust, under the Grass Loving Trust dated April 13, 1995 and any amendments thereof, is the beneficiary under that certain trust deed dated March 7, 1997, and recorded on March 10, 1997, in book/reel/volume No. M97 at page 6990 of the Mortgage Records of Klamath County, Oregon.

Lot 9, Block 15 of EWAUNA HEIGHTS, according to the official plat thereof on file in the Office of the County Clerk of Klamath County, Oregon.

The undersigned hereby certifies that no assignments of the trust deed by the trustee or by the beneficiary and no appointments of a successor-trustee have been made except as recorded in the mortgage records of the county or counties in which the above described real property is situate; further, that no action has been instituted to recover the debt, or any part thereof, now remaining secured by the said trust deed, or, if such action has been instituted, such action has been dismissed.

There is a default by the grantor or other person owing an obligation, the performance of which is secured by said trust deed, or by their successor in interest, with respect to provisions therein which authorize sale in the event of default of such provision; the default for which foreclosure is made is grantor's failure to pay when due the following sums:

Taxes for the fiscal year 2000-2001, delinquent in the sum of \$106.46, plus interest.

Payment in the amount of \$31,707.04 plus interest on first deed of trust and \$15,800.00 plus interest on second deed of trust.

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: \$47,507.04 as of April 26, 1999, plus interest.

Notice hereby is given that the beneficiary and trustee, by reason of said default, have elected and do hereby elect to foreclose said trust deed by advertisement and sale pursuant to Oregon

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Revised Statutes Sections 86.705 to 86.795, and to cause to be sold at public auction to the highest bidder for case the interest in the said described property which the grantor had, or had the power to convey, at the time of the execution by him of the trust deed, together with any interest the grantor or his successors in interest acquired after the execution of the trust deed, to satisfy the obligations secured by said trust deed and the expenses of the sale, including the compensation of the trustee as provided by law, and the reasonable fees of trustee's attorney.

Said sale will be held at the hour of 10:00 o'clock, A.M., Standard Time as established by Section 187.110 of Oregon Revised Statutes on September 24, 2001, at the following place: 280 Main Street, in the City of Klamath Falls, County of Klamath, State of Oregon, which is the hour, date and place fixed by the trustee of said sale.

Other than as shown of record, neither the said beneficiary or the said trustee has any actual notice of any person having or claiming to have any lien upon or interest in the real property hereinabove described subsequent to the interest of the trustee in the trust deed, or of any successor in interest to the grantor or of any lessee or other person in possession of or occupying the property, except:

NAME AND LAST KNOWN ADDRESS	NATURE OF RIGHT, LIEN OR INTEREST
Damron W. Alto 128 Lincoln Street Klamath Falls, OR 97601	Default upon Trust Deed
Michelle E. McClellen-Alto 128 Lincoln Street Klamath Falls, OR 97601	Default upon Trust Deed
Michelle E. McClellen-Alto 10514 Highway 140 West Klamath Falls, OR 97601	Default upon Trust Deed
D.W. Acceptance Corp P.O. Box 7580 Klamath Falls, OR 97602	Judgment dated February 13, 1998 Klamath County Case No.9800241-CV
D.W. Acceptance Corp P.O. Box 7580 Klamath Falls, OR 97602	Judgment dated November 10, 1999 Klamath County Case No.9904366-CV
Credit Bureau of Klamath County P.O. Box 5107 Klamath Falls, OR 97603	Judgment dated March 11, 1998 Klamath County Case No.9800954-CV

Carter-Jones Collections, LLC
1143 Pine Street
Klamath Falls, OR 97601

Judgment dated April 15, 1998
Klamath County Case No.9801021-CV

State of Oregon, DHR/SED
39 North Central Avenue
Medford, OR 97502

Judgment dated April 23, 1998
Klamath County Case No.9801655-CV

Southern Oregon Credit Service, Inc.
P.O. Box 4070
Medford, OR 97501

Judgment dated May 11, 1998
Jackson County Case No.98-1203 SM

Southern Oregon Credit Service, Inc.
P.O. Box 4070
Medford, OR 97501

Judgment dated April 14, 1998
Jackson County Case No.98-0304 T

Circuit Court, State of Oregon,
Klamath County
Attn. Trial Court Administrator
316 Main Street
Klamath Falls, OR 97601

Judgment dated August 27, 1998
Klamath County Case 9703811 CR

Circuit Court, State of Oregon,
Klamath County
Attn. Trial Court Administrator
316 Main Street
Klamath Falls, OR 97601

Judgment dated September 30, 1998
Klamath County Case 9800182 CR

Circuit Court, State of Oregon,
Klamath County
Attn. Trial Court Administrator
316 Main Street
Klamath Falls, OR 97601

Judgment dated October 23, 1998
Klamath County Case 9800199 CR

Circuit Court, State of Oregon,
Klamath County
Attn. Trial Court Administrator
316 Main Street
Klamath Falls, OR 97601

Judgment dated March 23, 1999
Klamath County Case 9803148 CR

Circuit Court, State of Oregon,
Klamath County
Attn. Trial Court Administrator
316 Main Street
Klamath Falls, OR 97601

Judgment dated May 17, 1999
Klamath County Case 9900586 CR

Notice is further given that any person named in Section 86.753 of Oregon Revised Statutes has the right, at any time prior to five days before the trustee conducts 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 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 or 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 Section 86.753 of Oregon Revised Statutes.

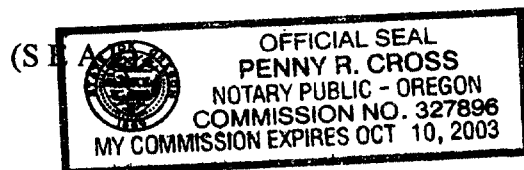
In construing this notice, the masculine gender includes the feminine and the neuter, the singular includes the plural, the word "grantor" includes any successor in interest to the grantor as well as any other person owing an obligation, the performance of which is secured by said trust deed, and the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

DATED: May 17, 2001.

Scott D. MacArthur
 Scott D. MacArthur
 Successor Trustee

STATE OF OREGON, County of Klamath) ss.

The foregoing instrument was acknowledged before me this 17 day of May, 2001, by Scott D. MacArthur.



Beforeme: Penny R. Cross
 Notary Public for Oregon
 My Commissioner Expires: 10/10/2003

STATE OF OREGON, County of Klamath)ss.

I certify that the within instrument received for record on the ____ day Of _____, 2001, at ____ o'clock ____ M., and recorded in book/reel/ volume No. ____ on page ____ or as fee/file/instrument/microfilm/reception No. ____, Recorded of Deeds of said County.

Witness my hand and seal of County affixed.

Name _____ Title _____
 By _____ Deputy

State of Oregon, County of Klamath
 Recorded 05/17/01, at 11:53/4 m.
 In Vol. M01 Page 22766
Linda Smith,
 County Clerk Fee\$ 36⁰⁰