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**INSTRUCTIONS FOR SERVICE OF TRUSTEE'S
NOTICE OF SALE UPON OCCUPANT PURSUANT
TO ORS 86.750 (1) AND PROOF OF SERVICE
(120-Day Notice)**

RE: Trust Deed from

Kim R. Franco

2434 South Sixth Street

Klamath Falls OR 97601

To

Grantor

William M. Ganong

514 Walnut Avenue

Klamath Falls OR 97601

Trustee

After recording, return to (Name, Address, Zip):

William M. Ganong

514 Walnut Avenue

Klamath Falls OR 97601

SPACE RESERVED
FOR
RECORDER'S USE

Vol M01 Page 27773

STATE OF OREGON,

County of _____

} ss.

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

Witness my hand and seal of County affixed.

NAME

TITLE

By _____, Deputy.

TRUSTEE'S INSTRUCTIONS to the person who serves the Trustee's Notice of Sale attached hereto:

STATE OF OREGON,

County of Klamath

} ss.

I, the undersigned, being first duly sworn, depose and say:

I am the Trustee or attorney for the Trustee in the trust deed described in the attached Trustee's Notice of Sale.

You are hereby directed to serve the Trustee's Notice of Sale in the manner in which a summons is served pursuant to ORCP
7 D(2) and 7 D(3) upon the occupant of the property described in the Notice of Sale.

The name of the person to be served, if known, and the property address of the property described in the trust deed are as follows:

Name of person to be served
(If unknown, so state)

Kim R. Franco

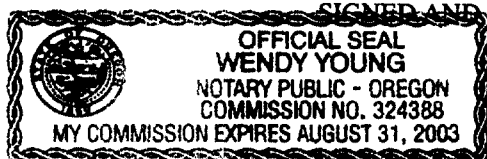
Property Address

2434 South Sixth Street
Klamath Falls OR 97601

If the occupant is indicated as "unknown," or if you find the property at this address to be occupied by someone other than the person named, then you are to serve the person or persons whom you find to be occupying the property.

Service should be made by February 26, 2001, which is 120 days before the date fixed for the sale in the attached notice. If you have not made service by that date, and the property appears occupied, persist in attempting to make service until it has been accomplished.

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



SIGNED AND SWORN TO before me on

February 14, 2001

Notary Public for Oregon

My commission expires

8-31-2003

PROOF OF SERVICE

27774



STATE OF OREGON, County of Klamath ss.

I hereby certify and swear that at all times herein mentioned I was and now am a competent person 18 years of age or older and a resident of the state wherein the service hereinafter set forth was made, and that I am not the beneficiary or trustee named in the original trustee's Notice of Sale attached hereto, nor a successor to either, nor an officer, director, employee of, or attorney for, the beneficiary or trustee, or successor of either, corporate or otherwise.

I made service of the attached original Trustee's Notice of Sale upon the individuals and other legal entities named below by delivering true copies of the Notice of Sale, certified to be such by the attorney for the trustee or successor trustee, as follows:

Personal Service Upon Individual(s)

Upon Kim R. Franco-occupant, by delivering such true copy to him/her, personally and in person, at 2434 South Sixth Street, Klamath Falls OR, on February 13, 2001, at 12:05 o'clock P.M.
Upon _____, by delivering such true copy to him/her, personally and in person, at _____, on _____, at _____ o'clock ____M.

Substituted Service Upon Individual(s)

Upon _____, by delivering such true copy at his/her dwelling house or usual place of abode, to-wit: _____, who is a person 14 years of age or older and a member of the household of the person served on _____, at _____ o'clock ____M.
Upon _____, by delivering such true copy at his/her dwelling house or usual place of abode, to-wit: _____, who is a person 14 years of age or older and a member of the household of the person served on _____, at _____ o'clock ____M.

Office Service Upon Individual(s)

Upon _____, at the office which he/she maintains for the conduct of business at _____, by leaving such true copy with _____, the person who is apparently in charge, on _____, during normal working hours, at _____ o'clock, ____M.

Service on Corporations, Limited Partnerships or Unincorporated Associations Subject to Suit Under a Common Name

Upon _____, by _____ (NAME OF CORPORATION, LIMITED PARTNERSHIP, ETC.)
(a) delivering such true copy, personally and in person, to _____ who is a/the _____ (Specify registered agent, officer (by title), director, general partner, managing agent, etc.) thereof; OR
(b) leaving such true copy with _____, the person who is apparently in charge of the office of _____, who is a/the _____ (Specify registered agent, officer (by title), director, general partner, managing agent, etc.) thereof;
at _____, on _____, at _____ o'clock ____M.

EACH OF THE PERSONS, FIRMS AND CORPORATIONS SERVED BY ME IS THE IDENTICAL PERSON, FIRM OR CORPORATION NAMED IN THE TRUSTEE'S INSTRUCTIONS TO ME IN CONNECTION HERewith.

Wendy Young
Wendy Young
514 Walnut Avenue
Klamath Falls OR 97601
541/882-7228

SIGNED AND SWORN TO before me on February 14, 2001



Vicki Swindle
Notary Public for Oregon

My commission expires 10-8-2001

PUBLISHER'S NOTE: ORS 86.750 (1) requires the Notice of Sale to be served upon the occupant in the manner in which a summons is served pursuant to ORCP 7 D(2) and 7 D(3). The Proof of Service above contains most, but not all, of the permissible methods of service. For example, this form does not include proof of service upon a minor, an incapacitated person, or tenant(s) of a mail agent. See ORCP 7 D(2) and 7 D(3) for permissible service methods with respect to particular parties. Also, an attorney who serves the Notice of Sale by mail, in accordance with law, should delete "or attorney for," from the first paragraph above before this document is recorded.

TRUSTEE'S NOTICE OF SALE

YOU ARE GIVEN NOTICE: THAT THE BENEFICIARY AND TRUSTEE HAVE ELECTED TO SELL THE PROPERTY DESCRIBED BELOW TO SATISFY THE FOLLOWING DESCRIBED OBLIGATION:

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 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.
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.

27776

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 6th day of February, 2001.

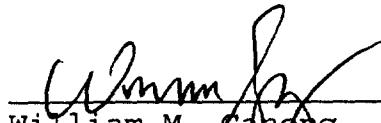


William M. Ganong, Trustee
514 Walnut Avenue
Klamath Falls OR 97601
Tel: (541) 882-7228

STATE OF OREGON, County of Klamath) ss.

I, the undersigned, certify that I am the attorney for the above named trustee; that I have carefully compared the foregoing copy of the Trustee's Notice of Sale with the original thereof and that the foregoing is a true, correct and exact copy of the original Trustee's Notice of Sale and of the whole thereof.

Dated at Klamath Falls, Oregon this 13th day of February, 2001.



William M. Ganong
Attorney for Trustee

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.

NOTICE REQUIRED BY THE
FAIR DEBT COLLECTION PRACTICES ACT
15 U.S.C. SECTION 1692

1. The amount of the debt is as set forth in the attached documentation or correspondence.
2. The name of the creditor to whom the debt is owed is as stated in the attached documentation or correspondence.
3. Unless you, the consumer, within 30 days after receipt of this Notice, dispute the validity of the debt or any portion thereof, the debt will be assumed to be valid by the undersigned. The undersigned, however, reserves the right to file suit, if none has yet been filed, or to take any other appropriate action to collect the debt within this 30-day period.
4. If you, the consumer, notify the undersigned, in writing, within the 30-day period that the debt, or any portion thereof, is disputed, the undersigned will obtain verification of the debt and a copy of such verification will be mailed to you by the undersigned.
5. Upon your written request within the 30-day period, the undersigned will provide you with the name and address of the original creditor, if such original creditor is different from the current creditor.
6. Written requests should be addressed to William M. Ganong, 514 Walnut Avenue, Klamath Falls, Oregon 97601.
7. This communication is an attempt to collect a debt and any information obtained will be used for that purpose.

State of Oregon, County of Klamath
Recorded 06/12/01, at 2:24 p m.
In Vol. M01 Page 27773
Linda Smith,
County Clerk Fee \$ 51⁰⁰