After Recording Return To:

Glenn H. Prohaska 4425 SW Corbett Avenue Portland, Oregon 97201 Vol_M01_Page_39672

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NOTICE OF DEFAULT AND ELECTION TO SELL

Reference is made to that certain trust deed made by Mark R. Carson and Dusty E. Carson, as grantor(s), Nancy L. Peterson, as trustee, in favor of Conseco Finance Servicing Corp. (fka Green Tree Financial Corporation), as beneficiary, dated March 27, 1998, recorded April 1, 1998, in the mortgage records of Klamath County, Oregon, as Fee No. Vol. M98, Page 10495, covering the following described real property situated in the above-mentioned county and state, to-wit:

Lot 35 CASITAS, according to the official plat thereof on file in the office of the county clerk, Klamath County, Oregon.

The undersigned, Glenn H. Prohaska, 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 situated, further, that no action has been instituted to recover action has been dismissed except as permitted by ORS 86.735(4).

There is a default by the grantor or other person owing an obligation, the performance of which is secured by the trust deed, or by the 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:

\$ 3,623,34

Total delinquent monthly payments and late chgs. due as of July, 2001

\$ 3,623.34

TOTAL AMOUNT REQUIRED TO REINSTATE AS OF July, 2001

By reason of the default, the beneficiary has declared all sums owing on the obligation secured by the trust deed immediately due and payable, those sums being the following, to-wit:

\$ 76,704.99

Principal balance of loan

\$ 76,704.99

TOTAL AMOUNT DUE AS OF July, 2001

RE: Trust Deed from Mark R. Carson and Dusty E. Carson, GRANTOR(s)

TO: Glenn H. Prohaska, SUCCESSOR TRUSTEE

Notice hereby is given that the beneficiary and trustee, by reason of the default, have elected and do hereby elect to foreclose the trust deed by advertisement and sale pursuant to ORS 86.705 to 86.795, and to cause to be sold at public auction to the highest bidder for cash the interest in the described property which the grantor had, or had the power to convey, at the time of the execution by grantor of the trust deed, together with any interest the grantor or grantor's successor in interest acquired after the execution of the trust deed, to satisfy the obligations secured by the trust deed and the expenses of the sale, including the compensations of the trustee as provided by law, and the reasonable fees of trustee's attorneys.

The sale will be held at the hour of 11:00 o'clock A.M., in accord with the standard of time established by ORS 187.110 on January 8, 2002, at front steps of Klamath County Courthouse in the City of Klamath Falls, County of Klamath, State of Oregon, which is the hour, date, and place last set for the sale.

Other than as shown of record, neither the beneficiary nor the 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

Notice is further given that any person named in ORS 86.753 has the right, at any time prior to five (5) 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 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 the sums or tendering the performance required under the obligation or trust deed, and in addition to paying the 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 ORS 86.753.

In construing this notice, 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 the trust deed, and the words "trustee" and beneficiary" include their respective successors in interest, if any.

DATED this date: August 3, 2001

Glenn H. Prohaska, Trustee

STATE OF OREGON, County of Multnomah) ss.

Personally appeared before me the above named Glenn H. Prohaska on August 3, 2001 and acknowledged the foregoing to be his voluntary act and deed.

OFFICIAL SEAL
ANNE M. PUPPO
NOTARY PUBLIC-OREGON
COMMISSION NO. 336206
MY COMMISSION EXPIRES AUG. 5, 2004

NOTARY PUBLIC FOR OREGON
My Commission expires August 5/2004

State of Oregon, County of Klamath Recorded 08/07/01 at 2/56 p · m.

In Vol. M01 Page 39672

Linda Smith,

County Clerk Fee\$ 2600