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AFTER RECORDING, RETURN TO: JOHN A. BERGE BRYANT LOVLIEN & JARVIS PC PO BOX 1151 BEND OR 97709-1151

MTC 1396-3059

NOTICE OF DEFAULT OF TRUST DEED AND ELECTION TO SELL

John A. Berge, Successor Trustee under the Trust Deed described below, hereby elects to sell pursuant to Oregon Revised Statutes Sections 86.705 to 86.795, the real property described below at 2:00 p.m. on March 1, 2002, at the front entrance to the Klamath County Courthouse located at 316 Main, Klamath Falls, Klamath County, Oregon.

All obligations of performance which are secured by the Trust Deed hereinafter described are in default for reasons set forth below and the beneficiary declares all sums due under the note secured by the trust deed described herein immediately due and payable.

GRANTOR:

Richard Van Donk; Karen Van Donk (nka Karen Sutton)

BENEFICIARY:

Steven D. Colburn

TRUST DEED RECORDED: December 12, 1997, in Volume No. M97, at pages 40435 to 40437, Official Records of Klamath County, Oregon.

ASSIGNMENT OF NOTE AND BENEFICIARY'S INTEREST IN DEED OF TRUST RECORDED: August 16, 2001, in Volume No. mol, at page(s) 41553, Official Records of Klamath County, Oregon.

PROPERTY COVERED BY TRUST DEED: See Exhibit A attached hereto.

DEFAULT: Failure to pay:

- 1. Regular installment payments due for January through December 1998, January through December 1999, January through December 2000, and January through, and including, August 2001, at \$500 each for a total of \$22,000;
 - 2. Real property taxes for years 1998-1999 for a total of \$735.60, plus interest; and,
 - 3. Other Trustee's Sale Guarantee: \$200.

SUM OWING ON OBLIGATION SECURED BY TRUST DEED: Principal balance of \$22,000 with interest at 10 percent per annum from December 12, 1997, until paid.

Notice is given that any person named pursuant to Section 86.753, Oregon Revised Statutes, has the right to have the foreclosure proceeding dismissed and the trust deed reinstated by curing the above-described defaults, by payment of the entire amount due (other than such portions of principal as would not then be due had no default occurred), and by paying all costs and expenses actually incurred in enforcing the obligation and trust deed, together with trustee's and attorney's fees, at any time prior to five days before the date last set for the sale.

JOHN A. BERGE

Successor Trustee

STATE OF OREGON, County of Deschutes) ss.

The foregoing instrument was acknowledged before me this \(\frac{14^4}{2}\) day of August, 2001, by John A. Berge.

OFFICIAL SEAL

JACKIE M DE GARMO

NOTARY PUBLIC-OREGON

COMMISSION NO. 341566

MY COMMISSION EXPIRES FEB. 15, 2005

OTARY PUBLIC for Oregon

PARCEL 1:

Lots 4, 5, 8 and 9, Block 3, CHEMULT, in the County of Klamath, State of Oregon. TOGETHER WITH that portion of vacated Chemult Road and of the vacated alleyway that inures to the above described property.

LESS AND EXCEPT the Southerly 50 feet of Lot 8 and the Southerly 50 feet of Lot 9, Block 3, CHEMULT, in the County of Klamath, State of Oregon.

PARCEL 2:

Lots 3, 4, 5, 6, 7, 8, 9 and 10, Block 3, NORTH CHEMULT, a vacated Subdivision, in the County of Klamath, State of Oregon. TOGETHER WITH that portion of vacated Fourth Street and of the vacated alley way that inures to the above described property.

PARCEL 3:

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 and 11, Block 4, NORTH CHEMULT, a vacated subdivision, in the County of Klamath, State of Oregon. TOGETHER WITH that portion of vacated Fourth Street and of the vacated alley way that inures to the above described property.

CODE 50 MAP 2708-21CB TL 200 CODE 50 MAP 2708-21BC TL 800

State of Oregon, County of Klamath Recorded 08/16/01 at 3:16 P m. In Vol. M01 Page 41557

Linda Smith,

County Clerk Fee\$ 31.00