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After recording, return to:
ROBERT A. SMEJKAL, Attorney
PO Box 654
Eugene, OR 97440

Vol M02 Page 34245

State of Oregon, County of Klamath
Recorded 06/11/2002 3:29 p. m.
Vol M02, Pg 34245-46
Linda Smith, County Clerk
Fee \$ 26.00 # of Pgs 2

Re Deed of Trust from Grantors:
BRAD E. MART & DIANE M. MART
488 Pinto Way
Eugene, OR 97401

To Successor Trustee:
ROBERT A. SMEJKAL
PO Box 654
Eugene, OR 97440

K-58867

NOTICE OF DEFAULT AND ELECTION TO SELL

Reference is made to that certain Deed of Trust made by BRAD E. MART and DIANE M. MART, as Grantors, to FIRST AMERICAN TITLE COMPANY, as Trustee, in favor of STERLING TRUST COMPANY FBO GEORGE J. GILCHRIST, as Beneficiary, dated March 3, 2000, recorded on March 6, 2000, in the Official Records of Klamath County, Oregon, in Volume M00, Page 7057, covering the real property situated in the above mentioned county and state and more particularly described as follows:

"Lot 19 in Block 12 of Tract 1042, Two Rivers North, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon."

The Successor Trustee hereby certifies that no assignments of the Deed of Trust by the Trustee, the Successor Trustee or by the Beneficiary and no appointments of a Successor Trustee have been made, except as recorded in the Records of the county or counties in which the above described real property is situated. Further, no action has been instituted to recover the debt, or any part thereof, now remaining secured by the Deed of Trust, or, if such action has been instituted, such action has been dismissed except as permitted by ORS 86.735(4).

There is a default by Grantors or other person owing an obligation, performance of which is secured by the Deed of Trust, 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 Grantors' failure to pay: (1) the entire balance of the Promissory Note which became due in full March 6, 2002; and (2) real property taxes for 2000-2001 in the amount of \$341.48, plus interest, and 2001-2002 in the amount of \$399.17, plus interest.

By reason of the default, the Beneficiary has declared all sums owing on the obligation secured by the Deed of Trust immediately due and payable, those sums being the following, to wit: Principal amount of \$36,961.18, plus accrued interest as of April 2, 2002, in the amount of \$384.62, plus interest on the principal amount at the rate of 20% per annum from April 3, 2002, until paid; plus late fees, attorney fees and foreclosure costs and amounts, if any, advanced by the Beneficiary pursuant to the terms of the Deed of Trust and/or applicable law.

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

The sale will be held at the hour of 1:30 o'clock, p.m., in accord with the standard time established by ORS 187.110 on October 29, 2002, at the following place: Inside the front entrance of the Klamath County Courthouse, 316 Main Street, 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 Successor 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 Successor Trustee in the Deed of Trust, or of any successor in interest to Grantors or of any lessee or other person in possession of or occupying the property, except:

Name and Last Known Address

Name of Right, Lien or Interest

None.

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 Deed of Trust 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 Deed of Trust, 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 Deed of Trust, together with Successor Trustee's and attorney fees not exceeding the amounts provided by ORS 86.753.

In construing this notice, the singular includes the plural, the word "Grantors" includes any successor in interest to the Grantors as well as any other person owing an obligation, the performance of which is secured by the Deed of Trust, and the words "Trustee," "Successor Trustee" and "Beneficiary" include their respective successors in interest, if any.

DATED this 10th day of June, 2002.

Robert A. Smejkal

ROBERT A. SMEJKAL, Successor Trustee

STATE OF OREGON, County of Lane) ss.

This instrument was acknowledged before me on June 10, 2002, by ROBERT A. SMEJKAL, Successor Trustee.



Annette Kayser

NOTARY PUBLIC FOR OREGON
My Commission Expires: 3/19/03