

**AFTER RECORDING RETURN TO:**

Valerie T. Auerbach [KMB]  
Farleigh, Wada & Witt, P.C.  
121 SW Morrison, Suite 600  
Portland, OR 97204

Vol M03 Page 16603

State of Oregon, County of Klamath  
Recorded 03/19/2003 3:02 p.m.  
Vol M03 Pg 16603-04  
Linda Smith, County Clerk  
Fee \$ 26 # of Pgs 2

MTL 60238

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**NOTICE OF DEFAULT AND ELECTION TO SELL**

Reference is made to a certain trust deed ("Trust Deed") made, as follows:

Trust Deed dated December 15, 1995, by Steven Ryk Arthur and Leigh Ann Arthur, husband and wife, as grantor, to Mountain Title Company of Klamath County, as trustee, in favor of Forest Products Federal Credit Union, as beneficiary, recorded on December 15, 1995, in Volume M95, Page 34294, in the Microfilm Records of Klamath County, Oregon.

The Trust Deed covers the following described real property ("Property") situated in said county and state, to-wit:

Lot 9 in Block 5 of TRACT NO. 1145, NOB HILL, a re-subdivision of portions of Nob Hill, Irvington Heights, Mountain View Addition and Eldorado Heights, in the City of Klamath Falls, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

There are defaults by the grantor or other person owing an obligation, the performance of which is secured by the Trust Deed, with respect to provisions therein which authorize sale in the event of default of such provision; the defaults for which foreclosure is made is grantor's failure to pay when due the following sums:

Arrearage in the sum of \$7,715.45 as of March 17, 2003, plus additional payments, property expenditures, taxes, liens, assessments, insurance, late fees, attorney's and trustee's fees and costs, and interest due at the time of reinstatement or sale.

By reason of said defaults, the beneficiary has declared all sums owing on the obligations secured by said Trust Deed immediately due and payable, said sums being the following, to-wit:

Payoff in the sum of \$143,860.41 as of March 17, 2003, plus taxes, liens, assessments, property expenditures, insurance, accruing interest, late fees, attorney's and trustee's fees and costs incurred by beneficiary or its assigns.

Notice hereby is given that the beneficiary and trustee, by reason of said defaults, have elected and do hereby elect to foreclose said 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 above-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 said 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.

Said sale will be held at the hour of 11:00 a.m., in accord with the standard of time established by ORS 187.110 on August 12, 2003, at the following place: **main entrance of the Klamath County Courthouse, 316 Main Street, City of Klamath Falls, County of Klamath, State of Oregon**, which is the hour, date and place last set for said sale.


Other than as shown of record, neither the said beneficiary nor the said trustee has any actual notice of any person having or claiming to have any lien upon or interest in the Property subsequent to the interest of the trustee in the Trust Deed, or of any successor in interest to the grantor or of any lessees or other persons in possession of or occupying the Property.

Notice is further given that any person named in ORS 86.753 has the right, at any time prior to five 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 and by curing any other default complained of herein that is capable of being cured by tendering the performance required under the obligations or Trust Deed, and in addition to paying said sum or tendering the performance necessary to cure the default, by paying all costs and expenses actually incurred in enforcing the obligations and Trust Deed, together with trustee's and attorney's fees not exceeding the amounts provided by said ORS 86.753.

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

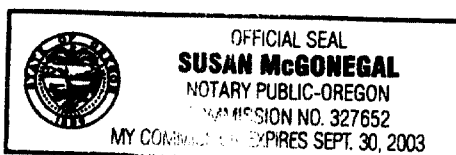
**THIS IS A COMMUNICATION FROM A DEBT COLLECTOR.**


DATED: March 18, 2003.

  
Valerie T. Auerbach, Successor Trustee

STATE OF OREGON                    )  
  ) ss.  
County of Multnomah            )

This instrument was acknowledged before me on March 18, 2003, by Valerie T. Auerbach.



  
Notary Public for Oregon  
My Commission Expires: 9/30/2003