

NOTICE OF DEFAULT AND ELECTION TO SELL

RE: Trust Deed from Tony M. Klobucar and Christine F. Klobucar, Grantor  
To John L. Perry and Donna S. Perry, Beneficiary

AFTER RECORDING RETURN TO:  
cc: Scott D. MacArthur,, Successor Trustee  
MacArthur & Bennett, P.C.  
280 Main Street  
Klamath Falls, OR 97601

State of Oregon, County of Klamath  
Recorded 09/25/03 1:39 p. m  
Vol M03 Pg 71451-71454  
Linda Smith, County Clerk  
Fee \$ 30.00 # of Pgs 4

NOTICE OF DEFAULT AND ELECTION TO SELL

KNOW ALL MEN BY THESE PRESENTS, that TONY M. KLOBUCAR and CHRISTINE F. KLOBUCAR, is the grantor, and ASPEN TITLE & ESCROW, INC., is the trustee, and JOHN L. PERRY and DONNA S. PERRY, is the beneficiary under that certain trust deed dated November 1, 1989, and recorded on November 13, 1989, in book/reel/volume No. M89 at page 21837 of the Mortgage Records of Klamath County, Oregon.

Exhibit "A" attached hereto and incorporated herein by this reference.

The undersigned 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 situate; further, that no action has been instituted to recover the debt, or any part thereof, now remaining secured by the said trust deed, or, if such action has been instituted, such action has been dismissed.

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

Payments in the amount of \$1,356.31 per month from November 2001, January 2002, April 2002, June, 2002, December 2002, February 2003, May 2003 and July, 2003 through the present.

Taxes for the year 2002-2003, delinquent in the amount of \$1,118.94 plus interest.  
Taxes for the year 2001-2002, delinquent in the amount of \$1,084.24 plus interest.  
Taxes for the year 2000-2001, delinquent in the amount of \$1,036.67 plus interest.

By reason of said default, the beneficiary has declared all sums owing on the obligation secured by said trust deed immediately due and payable, said sums being the following, to-wit: \$33,413.31 as of June 4, 2003, plus interest.

Notice hereby is given that the beneficiary and trustee, by reason of said default, have elected and do hereby elect to foreclose said trust deed by advertisement and sale pursuant to Oregon Revised Statutes Sections 86.705 to 86.795, and to cause to be sold at public auction to the highest bidder for cash the interest in the said described property which the grantor had, or had the power to convey, at the time of the execution by him of the trust deed, together with any interest the grantor or his successors 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 compensation of the trustee as provided by law, and the reasonable fees of trustee's attorney.

Said sale will be held at the hour of 10:00 o'clock, A.M., Standard Time as established by Section 187.110 of Oregon Revised Statutes on February 9, 2004, at the following place: 280 Main Street, in the City of Klamath Falls, County of Klamath, State of Oregon, which is the hour, date and place fixed by the trustee of said sale.

Other than as shown of record, neither the said beneficiary or the said 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  |
|---|--|
| Tony M. Klobucar<br>P.O. Box 135<br>Beatty, OR 97621  | Default upon Trust Deed  |
| Christine F. Klobucar<br>P.O. Box 135<br>Beatty, OR 97621   | Default upon Trust Deed  |
| Tony M. Klobucar<br>DBA The New Beatty Store<br>42615 Hwy 140 East<br>Beatty, OR 97621                        | Default upon Trust Deed  |
| Christine F. Klobucar<br>DBA The New Beatty Store<br>42615 Hwy 140 East<br>Beatty, OR 97621                   | Default upon Trust Deed  |
| State of Oregon, County of Klamath<br>Klamath County Tax Collector<br>P.O. Box 340<br>Klamath Falls, OR 97601 | Personal Property Tax Warrant, 94-4145<br>Recorded September 16, 1994<br>M94, Page 29158         |
| State of Oregon, County of Klamath<br>Klamath County Tax Collector<br>P.O. Box 340<br>Klamath Falls, OR 97601 | Personal Property Tax Warrant, 20000772<br>Recorded April 25, 2001<br>M01, Page 18402            |
| State of Oregon, County of Klamath<br>Klamath County Tax Collector<br>P.O. Box 340<br>Klamath Falls, OR 97601 | Personal Property Tax Warrant, 2001524<br>Recorded April 18, 2002<br>M02, Page 22803             |
| Carter-Jones Collection Service<br>1143 Pine Street<br>Klamath Falls, OR 97601                                | Judgment dated September 4, 2003<br>Klamath County Case No. 0302518-CV                           |
| State of Oregon, Employment Dept.<br>875 Union Street N.E., Room 107<br>Salem, OR 97311                       | State Tax Warrant, #69256 Employment<br>Recorded January 8, 2002, M02-1036<br>Amount of \$800.17 |

Notice is further given that any person named in Section 86.753 of Oregon Revised Statutes has the right, at any time prior to five days before the trustee conducts 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 said 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 said Section 86.753 of

Oregon Revised Statutes.

In construing this notice, 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 person owing an obligation, the performance of which is secured by said trust deed, and the words "trustee" and "beneficiary" include their respective successors in interest, if any.

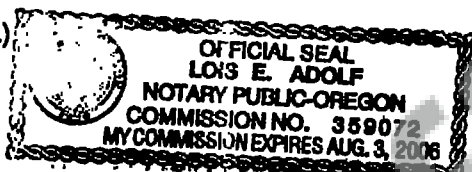
DATED: September 24, 2003.

  
Scott D. MacArthur  
Successor Trustee

STATE OF OREGON, County of Klamath) ss.

The foregoing instrument was acknowledged before me this 24<sup>th</sup> day of September, 2003, by  
Scott D. MacArthur.

(SEAL)



Before me:   
Notary Public for Oregon  
My Commission Expires: \_\_\_\_\_

## Exhibit A

## PARCEL 1:

Beginning at a point which is 30 feet North and 212 feet East from the Southwest corner of Lot 29, Section 14, Township 36 South, Range 12 East of the Willamette Meridian; thence due East along the State Highway, 132 feet; thence due North 132 feet; thence West 116 feet; thence North 198 feet; thence West 16 feet; thence South 330 feet to the point of beginning, Klamath County, Oregon.

EXCEPTING THEREFROM the following: A seven foot strip of land situated in said Lot 29, in the SW 1/4 of SW 1/4 of Section 14, Township 36 South, Range 12 East of the Willamette Meridian, more particularly described as follows:

Beginning at an iron pin located North a distance of 30.0 feet and East a distance of 344.0 feet from the iron pipe marking the Southwest corner of said Section 14; thence North a distance of 132.0 feet to an iron pin; thence West a distance of 7.0 feet to an iron pin; thence South a distance of 132.0 feet to an iron pin; thence East a distance of 7.0 feet, more or less, to the point of beginning.

## PARCEL 2:

Beginning at the Southwest corner of the SW 1/4 SW 1/4 of Section 14, Township 36 South, Range 12 East of the Willamette Meridian; thence East 228 feet; thence North 162 feet to the place of beginning; thence North 198 feet; thence East 109.4 feet; thence South 198 feet; thence West 109.4 feet to the place of beginning in the SW 1/4 SW 1/4, Section 14, Township 36 South, Range 12 East of the Willamette Meridian, Klamath County, Oregon.

## PARCEL 3:

A parcel of land situated in Lot 29, Section 14, Township 36 South, Range 12 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at a point 337.4 feet East and 162 feet North of the quarter corner common to Sections 15, 14, 22 and 23, Township 36 South, Range 12 East of the Willamette Meridian, which point is the Southeast corner of property described in Deed Volume 74 at Page 607 and the true point of beginning; thence East to the Southwest corner of property described in Deed Volume 76 at Page 408; thence North 208.75 feet to a point on the South line of property described in Deed Volume 116 at Page 175; thence West along the South line of said parcel described in Deed Volume 116 at Page 175 to the Southwest corner of said parcel; thence North 208 feet along the West line of said parcel to a point on the South line of parcel described in Deed Volume 117 at Page 375; thence West along the South line of said parcel described in Deed Volume 117 at Page 375 to the Southwest corner of said parcel; thence South 218.9 feet, more or less, to the Northwest corner of property described in Deed Volume 74 at Page 607; thence East 109.4 feet along the North line of said parcel described in Deed Volume 74 at Page 607 to the Northeast corner of said parcel; thence South along the East line of said parcel, 198 feet to the point of beginning.

## PARCEL 4:

Beginning at a point which is 30 feet North and 30 feet East of the Southwest corner of Lot 29 in Section 14, Township 36 South, Range 12 East of the Willamette Meridian, Klamath County, Oregon; thence due East 177 feet along the State Highway to the point of beginning; thence at right angles due North 330 feet; thence East 5 feet; thence South 330 feet; thence West to the point of beginning.