

04 JUN 30 AM 11:05

MTC- 65591

Vol M04 Page 42647

**NOTICE OF DEFAULT AND ELECTION TO SELL**

State of Oregon, County of Klamath  
Recorded 06/30/2004 11:06 a m  
Vol M04 Pg 42647-48  
Linda Smith, County Clerk  
Fee \$ 26<sup>00</sup> # of Pgs 2

RE: Trust Deed from

**Kenneth J. Smith  
Diane M. Smith**

**Grantor**

To.

**Nancy L. Peterson**

**Trustee.**

After recording return to:

Laura J. Walker  
Cable Huston Benedict et al  
1001 SW Fifth Avenue #2000  
Portland Oregon, 97204

**SPACE RESERVED FOR RECORDER'S USE**

Reference is made to that certain trust deed made by Kenneth J. Smith and Diane M. Smith as grantor, to Nancy L. Peterson as trustee, in favor of Green Tree Financial Servicing Corporation, as beneficiary, dated August 13, 1997, recorded on August 15, 1997 as M97, page 27021, Microfilm Records of Klamath County, Oregon, covering the following described real property situated in the above-mentioned county and state, to wit:

**Lot 5 in Block 1 of SHADOW HILLS NO. 1, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.**

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 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 trust deed except as permitted by ORS 86.735(4).

There is a default by grantor or other person owing an obligation, 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:

**Five monthly payments of \$546.58 each due for the months of February 2004 through June 2004 with interest accruing thereon at the contract rate of 8.24% per annum or \$15.28 per diem until paid in full, plus costs and attorneys fees.**

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:

<b>Principal</b>	<b>\$ 67,687.64</b>
<b>Interest and fees as of June 21, 2004:</b>	<b>\$ 2,155.04</b>
<b>Preliminary Title Report</b>	<b>\$ 354.00</b>
<b>Beneficiary is also entitled to costs and attorney fees.</b>	

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

26<sup>00</sup>  
am

which grantor had or had the power to convey, at the time of the execution by grantor of the trust deed, together with any interest 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 compensation of the trustee as provided by law, and the reasonable fees of trustee's attorneys.

This sale will be held at the hour of 10:00 o'clock, a.m., in accord with the standard of time established by ORS 187.110 on November 12, 2004, at the Klamath County Courthouse, 316 Main Street, 2nd floor, 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 grantor or of any lessee or other person in possession of or occupying the property except unpaid property taxes and:

Keystone Mortgage Corporation Inc. Trust deed  
69 Main Street  
Keystone, West Virginia, 24852

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 or 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 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 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 28<sup>th</sup> of June, 2004

Laura J. Walker  
Trustee

STATE OF OREGON, COUNTY OF Multnomah )ss  
This instrument was acknowledged before me on June 28<sup>th</sup>, 2004  
By Laura J. Walker

Michele Bradley  
Notary Public for Oregon  
My commission expires 03-30-08

