

NOTICE OF DEFAULT AND ELECTION TO SELL

Daniel F. Wallis and Denise J. Wallis, husband and wife, as Grantor(s), made, executed and delivered to the State Director of the Farmers Home Administration, United States Department of Agriculture, as Trustee, to secure the performance of certain obligations including the payment of the principal sum of \$23,180.00, in favor of the UNITED STATES OF AMERICA, acting through the Farmers Home Administration, United States Department of Agriculture, as Beneficiary, that certain Trust Deed dated January 13, 1978 and recorded January 16, 1978 in Book M 78, Page 970 of the mortgage records of Klamath County, Oregon, covering the following described real property situated in said county:

Lot 1 and the S1/2 of Lot 2 of PONDEROSA PARK, County of Klamath and State of Oregon.

There is a default by the Grantor(s) owing the obligation, the performance of which is secured by said Trust Deed, with respect to provision therein which authorize sale in the event of default of such provisions in that the Grantor(s) have failed to pay, when due, the following sums thereon:

17 monthly payments at \$167.00 per month	\$2,815.00
1979-83 real estate taxes	2,285.32

Total Delinquency \$5,100.32

which are now past due, owing and delinquent. Grantor's failure just described is the default for which the foreclosure mentioned herein is made.

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

Unpaid principal	\$22,507.29
Unpaid interest computed to 12-28-83	1,990.89
Daily accrual \$4.9331	

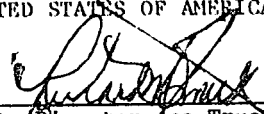
Notice is hereby given that the undersigned, by reason of said default, has elected and hereby does elect to foreclose said Trust Deed by advertisement and sale pursuant to Oregon Revised Statutes Sections 86.705 to 86.795, and to cause to be sold at public auction to the highest bidder for cash the interest in the said described property which the Grantor(s) had, or had the power to convey, at the time of the execution by them of the Trust Deed, together with any interest the Grantor(s) or their 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 a reasonable charge by 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 o'clock, a.m., as established by Section 187.110 of Oregon Revised Statutes on July 12, 1984, at the following place: Front door of the Klamath County Courthouse, in the City of Klamath Falls, County of Klamath, State of Oregon, which is the hour, date and place fixed by the Trustee for said sale.

Notice is further given that any person named in Section 86.760 of Oregon Revised Statutes has the right to have the foreclosure proceeding dismissed and the Trust Deed reinstated by payment of the entire amount then due, together with costs of mortgage foreclosure report(s), delinquent real estate taxes, and trustee's and attorney's fees, at any time prior to five days before the date set for said sale.

DATED January 9, 1984.

UNITED STATES OF AMERICA



State Director, as Trustee
Farmers Home Administration
U.S. Department of Agriculture

ACKNOWLEDGMENT

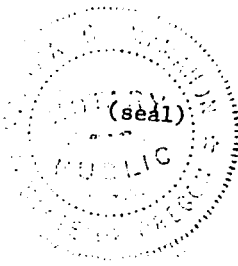
6. 359

STATE OF OREGON)
) ss:
COUNTY OF MULTNOMAH)

On this 9th day of January, 1984, before me, a Notary Public in and for said county and state, appeared Richard M. Smith, known to me to be the State Director, Farmers Home Administration, U.S.D.A., and the person who executed this instrument on behalf of the United States of America and acknowledged to me that the United States of America executed the same.

IN WITNESS WHEREOF, I hereunto set my hand and seal at Portland, Oregon, the day and year aforesaid.

Martha G. McMahon
Notary Public in and for the
State of Oregon
My Commission Expires: 2-1-86



RETURN TO:
FARMERS' HOME ADMIN
P.O. Box 1328
KLAMATH FALLS, OR 97601

STATE OF OREGON,)
County of Klamath)

Filed for record at request of

on the 17th day of Jan A.D. 19 84
at 3:42 o'clock P M, and duly
recorded in Vol. M84 of Mortgages
Page 258

EVELYN BIENN, County Clerk
By John Smith Deputy
Fee 8.00