

Glenn R. Smith and Glenda L. Smith, husband and wife 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 \$30,500.00, in favor of the UNITED STATES OF AMERICA, that certain Trust Deed dated December 5, 1977, and recorded December 5, 1977, under Volume M-77, Page 23451 in the records of Klamath County, Oregon. Donnie D. Heaton, Jr. and Bernadette Heaton, husband and wife, hereafter called Grantors, as successors in interest assumed the obligations secured by this trust deed.

Donnie D. Heaton, Jr. and Bernadette Heaton, husband and wife, as Grantors, 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 \$12,110.00, 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 June 11, 1980 and recorded June 12, 1980 under Volume M-80, Page 10766.

These Deeds of Trust cover the following described real property in Klamath County, Oregon:

The Northerly 60 feet of Lot 37 and the Southerly 10 feet of Lots 22 and 23, Lost River Court Addition to Merrill, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

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

5 monthly payments at \$335.00 per month  
1984-85 real estate taxes

\$1,544.41  
619.53

Total Delinquency

\$2,163.94

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 Deeds immediately due, owing and payable, said sums being the following, to-wit:

Unpaid principal  
Unpaid interest computed to 5-30-85  
Daily accrual \$9.0263

\$37,154.23  
1,482.25

Notice is hereby given that the undersigned, by reason of said default, has elected and hereby does elect to foreclose said Trust Deeds 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 Grantors had, or had the power to convey, at the time of the execution by them or their predecessors in interest of the Trust Deeds, together with any interest the Grantors or their successors in interest acquired after the execution of the Trust Deeds, to satisfy the obligations secured by said Trust Deeds 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., Standard Time, as established by Section 187.110 of Oregon Revised Statutes on December 17, 1985, 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 Deeds 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 May 31, 1985.

UNITED STATES OF AMERICA

*[Signature]*  
State Director, as Trustee  
Farmers Home Administration  
U.S. Department of Agriculture

85 JUN 11 PM 2 19

ACKNOWLEDGMENT

STATE OF OREGON

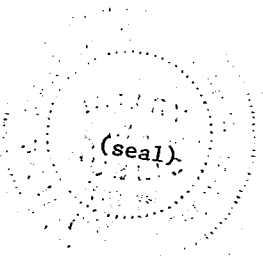
COUNTY OF MULTNOMAH

)  
) ss:  
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On this 31st day of May, 1985, 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.



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

Ret: KUTC

STATE OF OREGON, )  
County of Klamath )

Filed for record at request of

on this 11th day of June A.D. 19 85  
at 2:19 o'clock P M, and duly  
recorded in Vol. 1185 of Mortgages  
Page 8710

**EVELYN BIEHN, County Clerk**

By Bernadette Deputy

Fee \$9.00