

TRUSTEE'S NOTICE OF DEFAULT AND ELECTION TO SELL AND OF SALE

Reference is made to that Trust Deed wherein RICHARD J. PAULTIS and PATRICIA ANN PAULTIS, husband and wife,
WILLIAM SISEMORE, is Grantor;
KLAMATH FIRST FEDERAL SAVINGS & LOAN ASSN., is Trustee; and
recorded in Official/Microfilm Records, Vol. M84, Page 1264, is Beneficiary,
covering the following-described real property in Klamath County, Oregon,
Klamath County, Oregon:

Lot 3, Block 18, HOT SPRINGS ADDITION to the City of Klamath Falls,
according to the official plat thereof on file in the office of the
County Clerk of Klamath County, Oregon.

No action is pending to recover any part of the debt secured by the trust deed.

The obligation secured by the trust deed is in default because the grantor has failed to pay the following:
\$335.00 due November 1, 1985, and \$335.00 due December 1, 1985; \$318.00
due January 1, 1986, and a like amount due on the 1st day of each month
thereafter.

The sum owing on the obligation secured by the trust deed is:

\$29,001.56, plus interest and late charges,

plus trustee's fees, attorney's fees, foreclosure costs and any sums advanced by beneficiary pursuant to the terms of said
trust deed.

Beneficiary has and does elect to sell the property to satisfy the obligation pursuant to ORS 86.705 to 86.795.

The property will be sold as provided by law on September 9, 19 86, at 10:10 o'clock a.m.
based on standard of time established by ORS 187.110 at Room 204, 540 Main St., Klamath Falls,
Klamath County, Oregon.

Interested persons are notified of the right under ORS 86.753 to have this proceeding dismissed and the trust deed reinstated
by payment of the entire amount then due, other than such portion as would not then be due had no default occurred, together
with costs, trustee's and attorney's fees, and by curing any other default complained of in this Notice, at any time prior to
five days before the date last set for sale.

Dated: April 29, 19 86.

William L. Sisemore, Trustee

STATE OF OREGON, County of Klamath

The foregoing was acknowledged before me on April 29, 1986 by William L. Sisemore ss

Carol M. Farney Notary Public for Oregon — My Commission Expires: Feb. 5, 19 89

Certified to be a true copy:

Attorney for Trustee

STATE OF OREGON, County of Klamath

Filed for record on April 29, 19 86 at 1:48 o'clock p.m.
and recorded in M86 page 7353 of mortgages. ss

Evelyn Biehn, Klamath

County Clerk by Ben Smith, Deputy

After recording return to:

Fee: \$5.00

William L. Sisemore
540 Main St.,
Klamath Falls, OR 97601