

NOTICE OF DEFAULT
AND ELECTION TO SELL

Pursuant to ORS 86.705-795, the undersigned Trustee and the Beneficiary have elected to foreclose the following described Trust Deed in the manner provided by said statute.

1. The names of the Grantor, Trustee and Beneficiary named in the subject Trust Deed are:

- a. Grantor: Robert Thomas
- b. Trustee: South Valley State Bank
- c. Beneficiary: Conservatorship of Peter Zounik, No. 78-426.

2. The legal description of the property covered by the subject Trust Deed is:

Lot 13, Block 3, CANAL ADDITION to the City of Klamath Falls, according to the official plat thereof on file in the office of the Clerk of Klamath County, Oregon.

3. The Book, page number and the date the subject Trust Deed was recorded in the Mortgage Records of Klamath County, Oregon are: Book: M-79; Page: 2450; Dated: January 30, 1979.

4. The default for which the foreclosure is made is the Grantor's failure to pay real property taxes for the years 1978-79 through 1985-86.

5. The sum owing on the obligation secured by the subject Trust Deed is the principal amount of \$17,750.00 plus interest thereon at the rate of 15.0% per annum from December 31, 1982 until paid, plus real property taxes and other liens paid by the beneficiary.

6. The Beneficiary and the Trustee have elected to foreclose the above referenced Trust Deed pursuant to the provisions of Oregon Revised Statutes 86.705 to 86.795.

7. The Trustee will conduct a sale of the above described property at 10:00 a.m. on the 31st day of October, 1986 at the front steps of the Klamath County Courthouse, 300 block of Main Street, Klamath Falls, Oregon.

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8. Pursuant to ORS 86.753; the Grantor, the Grantor's successor in interest to all or any part of the above described property, any beneficiary under a subordinate Trust Deed, or any person having a subordinate lien or encumbrance of record on the property; may cure the default or defaults at any time prior to five days before the above said date of sale by paying the entire amount due at the time of cure under the terms of the obligation, other than such portion as would not then be due had no default occurred. In addition, the person affecting the cure shall pay all costs and expenses actually incurred in enforcing the obligation and Trust Deed, together with the Trustee's and Attorney's fees specified in the said statute.

In construing this instrument, 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 persons owing an obligation, the performance of which is secured by said Trust Deed, the words "trustee" and "beneficiary" include their respective successors in interest, if any.

William M. Ganong
William M. Ganong

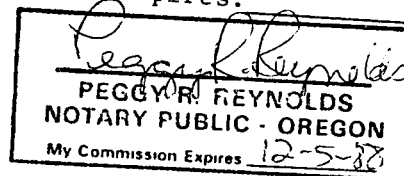
STATE OF OREGON)
) SS
County of Klamath)

Personally appeared this 26th day of June, 1986 the above named William M. Ganong, Successor Trustee, and acknowledge the foregoing instrument to be his voluntary act and deed.

(SEAL)

After Recording Return to:
William M. Ganong
1151 Pine Street
Klamath Falls, OR 97601

Notary Public For Oregon
My commission expires:



NOTICE OF DEFAULT AND ELECTION TO SELL Page 2

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of _____
of June A.D. 19 86 at 3:59 o'clock P M., and duly recorded in Vol. M86 day
of _____ on Page 11231
Mortgages

FEE \$9.00

By Evelyn Biehn, County Clerk
[Signature]