

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

Reference is made to the Trust Deeds wherein Lyle W. Shaffer and Shirley Lee Shaffer, are grantors; William L. Sisemore, is Trustee; and Klamath First Federal Savings and Loan Association, is Beneficiary, recorded in Official/Microfilm Records, Vol. M86, page 17363 and Vol. 89, page 18861, Klamath County, Oregon, covering the following described real property in Klamath County, Oregon:

Lot 17, Block 13, Hillside Addition to the City of Klamath Falls, according to the official plat thereof on file in the office of the County Clerk, Klamath County, Oregon.

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

The obligation secured by the trust deed recorded in Vol. M86, page 17363 is in default because the grantor has failed to pay the following: the payment due March 30, 1996 in the amount of \$444.00 and a like amount on the same day of each month thereafter. The obligation secured by the trust deed recorded in Vol. M89, page 18861 is in default because the grantor has failed to pay the payment due on March 10, 1996 in the amount of \$254.00 and a like payment on the 10th day of each month thereafter.

The sum owing on the obligation secured by the trust deed is: recorded in Vol. M86, page 17363, \$17,227.65 together with interest at the rate of 6.375% per annum from March 30, 1996. The balance due on the trust deed recorded in Vol. M89, page 18861 is \$14,595.67 together with interest at the rate of 5.5% per annum from March 10, 1996

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.

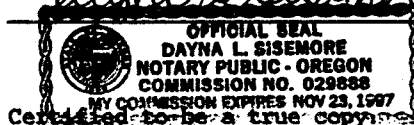
The property will be sold as provided by law on January 8, 1997 at 10:00 o'clock a.m. based on standard of time established by ORS 187.110 at 540 Main Street, Room 301, Klamath Falls, Oregon, Klamath, County, Oregon.

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.

This communication is an attempt to collect a debt. Any information obtained will be used for that purpose.

Dated: August 30, 1996. William L. Sisemore
Trustee

STATE OF OREGON, County of Klamath ss
The foregoing was acknowledged before me on Aug. 30, 1996, by William L. Sisemore,
Dayna L. Sisemore, Notary Public for Oregon-My Commission Expires 11-23-97



Certified to be a true copy

William L. Sisemore
Attorney for Trustee

STATE OF OREGON, County of Klamath ss
Filed for record on August 30, 1996, at 2:59 o'clock P m. and recorded in M96 page 27157 or as file/reel/document/instrument number 24073 of mortgages.

Bernetha G. Letsch County Clerk, by Kathleen Ross
Deputy

After recording, return to:
William L. Sisemore
Attorney at Law
540 Main Street, #301
Klamath Falls, OR 97601

Fee \$10.00