

After recording, return to:
William M. Ganong
Attorney at Law
514 Walnut Avenue
Klamath Falls OR 97601

Mail Tax Statements to:
Mr. and Mrs. Walter E. Wagner
Post Office Box 162
Bonanza OR 97623-0162

AFFIDAVIT OF FORFEITURE

STATE OF OREGON, County of Klamath) ss.

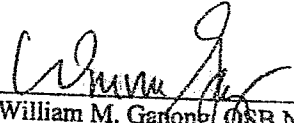
I, William M. Ganong, being first duly sworn, depose and say as follows:

1. On July 28, 1998, I caused to be recorded in Volume M98 at Page 27590 of the Records of the Clerk of Klamath County, Oregon, a Notice of Default of the Contract described therein. In addition, on that date, I caused to be mailed in the manner required by ORS 93.915 an original of said Notice of Default to Rose M. Herrera and Eulogio Sanchez at their last-known address by both first-class mail and certified mail, return receipt requested. An Affidavit of said mailing was recorded in Volume M98 at Page 27591 of the Records of the Clerk of Klamath County, Oregon.

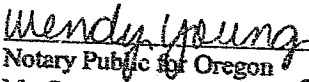
2. The default of the purchasers under the Contract described in said Notice of Default was not cured within the time period provided in ORS 93.915, and the Contract described in said Notice of Default is declared to be forfeited.

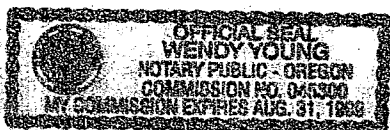
3. Pursuant to the terms of the Contract and to Oregon statute, Walter E. Wagner and Eleanor A. Wagner, husband and wife, are declared to be the owners of Lot 35, Block 14, Klamath Falls Forest Estates, Highway 66 Unit, Plat No. 1, Klamath County, Oregon, Klamath County Assessor's No. 3711-21CO-5900, free and clear of the interest of the Contract purchasers named above and of anyone claiming by or under them.

Dated this 1st day of October, 1998.


William M. Ganong, OSB No. 78213
Attorney for Sellers

Personally appeared this 1st day of October, 1998, the above-named William M. Ganong who acknowledged the foregoing instrument to be his voluntary act and deed.

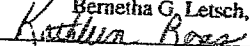

Wendy Young
Notary Public for Oregon
My Commission Expires: 8-31-99



STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of William M. Ganong the 5th day
of October A.D., 1998 at 1:40 o'clock P. M., and duly recorded in Vol. M98
of Deeds on Page 36561.

FEE \$30.00

By  Bernetha G. Letsch, County Clerk