

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

Reference is made to that Trust Deed wherein **Dan C. Daly and Kathleen A. Daly, husband & wife, is grantor; William Sisemore, is Trustee; and Klamath First Federal Savings and Loan Association, is Beneficiary, recorded in Official/Microfilm Records, Vol. M78, page 5272, Klamath County, Oregon, covering the following described real property in Klamath County, Oregon:

****said interest was assigned to Leon B. Lytle & Margaret Patricia Keiser by warranty deed, recorded May 11, 1989, Vol. M89, page 8125, Deed records of Klamath County, Oregon, wherein grantee assumed and agrees to pay said trust deed.**

Lot 1 in Block 4, Fairview Second 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.

Code 1 - Account No. 3809-29CA-1800 - Key No. 300542

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: Failure to pay real property taxes for the years 1994-95; 1995-96; 1996-97; 1997-98; 1998-99.

The sum owing on the obligation secured by the trust deed is: \$18,750.94 + interest at the rate of 9.0% per annum from August 20, 1999,

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 31, 2000 at 10:00 o'clock a.m. based on standard of time established by ORS 187.110 at 110 N. 6th Street, 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.

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

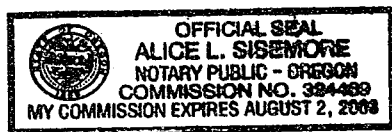
Dated: September 17, 1999.

William L. Sisemore
William L. Sisemore, Trustee

STATE OF OREGON, County of Klamath ss

The foregoing was acknowledged before me on September 17, 1999, by William L. Sisemore.

William L. Sisemore, Notary Public for Oregon-My Commission Expires: 08/02/2003



Certified to be a true copy:

Attorney for Trustee

06 After recording, return to:
William L. Sisemore
Attorney at Law
110 N. 6th Street
Klamath Falls, OR 97601

State of Oregon, County of Klamath
Recorded 9/17/99, at 1:42 p.m.
In Vol. M99 Page 37163
Linda Smith,
County Clerk Fee \$ 10 -