

After recording return to:

ROUTH CRABTREE & FENNELL

Attn: Becky Baker

PO Box 4143

Bellevue, WA 98009-4143

MTC 42653

NOTICE OF DEFAULT AND ELECTION TO SELL

Reference is made to that certain trust deed made by Jeffrey D. Davies and Jacalyn T. Davies, husband and wife, as grantors, to Amerititle Company, as trustee, in favor of The Provident Bank, Inc., as beneficiary, dated 4/11/97, recorded 4/15/97, in the mortgage records of Klamath County, Oregon, in M97, page 11288, and subsequently assigned to Bankers Trust Company of California, N.A., as Custodian or Trustee, covering the following described real property situated in said county and state, to wit:

See Attached Legal Description

PROPERTY ADDRESS: 403 Alameda Ave.
Klamath Falls, OR 97601

There is a default by the grantor or other person owing an obligation or by their successor in interest, the performance of which is secured by said trust deed, or by their successor in interest, with respect to provisions therein which authorize sale in the event of default of such provision. The default for which foreclosure is made is grantors' failure to pay when due the following sums: monthly payments of \$384.96 beginning 5/15/97; plus late charges of \$19.25 each month beginning 5/30/97; plus prior accrued late charges of \$0.00; plus advances of \$19.00; together with title expense, costs, trustee's fees and attorney's fees incurred herein by reason of said default; and any further sums advanced by the beneficiary for the protection of the above described real property and its interest therein.

By reason of said default, the beneficiary has declared all sums owing on the obligation secured by said trust deed immediately due and payable, said sums being the following, to wit: \$37,425.00 with interest thereon at the rate of 12 percent per annum beginning 4/15/97; plus late charges of \$19.25 each month beginning 5/30/97 until paid; plus prior accrued late charges of \$0.00; plus advances of \$19.00; together with title expense, costs, trustee's fees and attorneys fees incurred herein by reason of said default; and any further sums advanced by the beneficiary for the protection of the above described real property and its interest therein.

NOTICE OF DEFAULT AND ELECTION TO SELL

RE: Trust Deed from

Davies, Jeffrey D. & Jacalyn T.
Grantor

to
DAVID E. FENNELL,
Trustee

File No. 7104.20100

For Additional Information:

Becky Baker
ROUTH CRABTREE & FENNELL
PO Box 4143
Bellevue, WA 98009-4143
(425) 453-5055

Notice is hereby given that the beneficiary and trustee, by reason of said default, have elected and do hereby elect to foreclose the trust deed by advertisement and sale pursuant to ORS 86.705 to 86.795, and to cause to be sold at public auction to the highest bidder for cash the interest in the described property which the grantor had, or had the power to convey, at the time grantor executed the trust deed, together with any interest the grantor or grantor's successors in interest acquired after the execution of the trust deed, to satisfy the obligations secured by the trust deed and the expenses of the sale, including the compensations of the trustee as provided by law, and reasonable fees of trustee's attorneys.

The sale will be held at the hour of 10:00 o'clock A.M., in accord with the standard of time established by ORS 187.110 on **May 22, 1998**, at the following place: inside the 2nd floor lobby of the Klamath County Courthouse, 317 South 7th Street, in the City of Klamath Falls, County of Klamath, State of Oregon, which is the hour, date and place last set for the sale.

Notice is further given that any person named in ORS 86.753 has the right, at any time prior to five days before the date last set for the sale, to have this foreclosure proceeding dismissed and the trust deed reinstated by payment to the beneficiary of the entire amount then due (other than such portion of the principal as would not then be due had no default occurred) and by curing every other default complained of herein by tendering the performance required under the obligation or trust deed, in addition to paying said sums or tendering the performance necessary to cure the default, by paying all costs and expenses actually incurred in enforcing the obligation and trust deed, together with trustee's and attorney's fees not exceeding the amounts provided by said ORS 86.753.

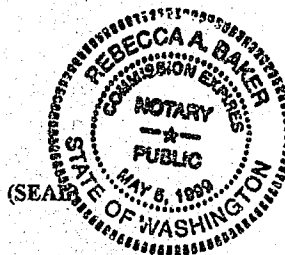
In construing this notice, the singular includes the plural, the word "grantor" includes any successor in interest to the grantor as well as any other person owing an obligation, the performance of which is secured by said trust deed, and the words "trustee" and "beneficiary" include their respective successors in interest, if any.

David E. Fennell - Trustee

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

This instrument was acknowledged before me on 1/7, 1978, by David E. Fennell, as Trustee.

Rebecca Buber
Notary Public for Washington
My commission expires: 5/5/99



THIS IS AN ATTEMPT TO COLLECT AND INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE

EXHIBIT A

PARCEL 1:

Beginning at the Southeast corner of Lot 16 of Block 41 of HOT SPRINGS ADDITION to the City of Klamath Falls, Oregon; thence Northeasterly along the Northerly line of Erie Street, 80 feet; thence Northwesterly and parallel to Alameda 50 feet; thence Southwesterly and parallel to Erie Street 80 feet; thence Southeasterly 50 feet to the place of beginning, being the Southwesterly 80 feet of Lot 16 in Block 41 of HOT SPRINGS ADDITION to the City of Klamath Falls, Oregon, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

PARCEL 2:

The Southeasterly 1 foot of the Southwesterly 80 feet of Lot 15, Block 41, 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.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of _____ Amer. title _____ the 12th day
of January A.D., 19 98 at 3:22 o'clock P. M., and duly recorded in Vol. M98
of Mortgages on Page 959.

FEE \$20.00

By Bernetha G. Letsch, County Clerk
Bernetha G. Letsch