

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

Reference is made to that Trust Deed wherein JOHN E. KOLAKOWSKI and CHRISTINA M. KOLAKOWSKI, is grantor; WILLIAM L. SISEMORE, is Trustee; and KLAMATH FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION, is Beneficiary, recorded in Official/Microfilm Records, Vol. M96, page 2607, Klamath County, Oregon, covering the following described real property in Klamath County, Oregon:

Beginning at a point 660 feet East and 330 feet North of an iron pin driven into the ground at the Southwest corner of the Northwest quarter of Section 1, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, on the property of Otis V. Saylor, which iron pin is 20 feet East of the center of a road intersecting the Dalles-California Highway from the North, and which iron pin is 30 feet North of the center of said Highway; thence West 330 feet; thence North 66 feet; thence East 330 feet; thence South 66 feet to the place of beginning.

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: \$243.95 due December 5, 1997; \$339.00 due on January 5, 1998 & each month thereafter, plus late charges.

The sum owing on the obligation secured by the trust deed is: \$29,599.45 plus interest at the rate of 6.625% per annum from November 5, 1997 plus late charges,

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 September 8, 1998 at 10:00 o'clock a.m. based on standard of time established by ORS 187.110 at 110 North Sixth 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.

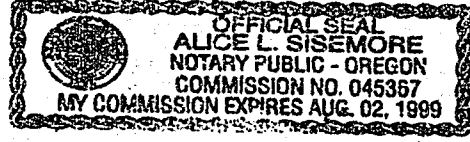
Dated: April 28, 1998.

William L. Sisemore
Trustee

STATE OF OREGON, County of Klamath, ss

The foregoing was acknowledged before me on April 28, 1998, by William L. Sisemore,

Alice L. Sisemore, Notary Public for Oregon-My Commission Expires: 08/02/99



Certified to be a true copy:

Attorney for Trustee

STATE OF OREGON, County of Klamath, ss

Filed for record on April 28, 1998, at 11:26 o'clock A. m. and recorded in M98 page 14019 or as file/reel/document/instrument number 57147 of mortgages.

Bernetha G. Letsch, Klamath County Clerk, by Kathleen Ross
Deputy

After recording, return to:

William L. Sisemore

Attorney at Law

110 N. 6th Street

Klamath Falls, OR 97601

Fee: \$10.00