

RECORDED AT THE REQUEST OF
H&L Services, Inc.
1111 Third Avenue, #3400
Seattle, WA 98101

FANNING
80722-32625

K-54089

NOTICE OF DEFAULT AND ELECTION TO SELL

Reference is made to that certain trust deed made by GARY L. FANNING, SR. AND SANDRA E. FANNING, AS TENANTS BY THE ENTIRETY, as grantor, to AMERITITLE, as trustee, in favor of WASHINGTON MUTUAL BANK, as beneficiary, dated December 26, 1996, recorded December 31, 1996, in the mortgage records of Klamath County, Oregon, in Volume M96, Page 40484, covering the following described real property situated in the above county and state, to-wit:

SEE APPENDED LEGAL

The real property is more commonly known as: 1811 CREST, KLAMATH FALLS, OR 97603.

The undersigned hereby certifies that no assignments of the trust deed by the trustee or by the beneficiary and no appointments of a successor trustee have been made except as recorded in the mortgage records of the county or counties in which the above described real property is situate; further, that no action has been instituted to recover the debt, or any part thereof, now remaining secured by the trust deed, or, if such action has been instituted, such action has been dismissed except as permitted by ORS 86.735(4).

There is a default by the grantor or other person owing an obligation, the performance of which is secured by the trust deed, or by their successor 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 grantor's failure to pay when due the following sums:

a. Failure to pay the following sums:

MONTHLY PAYMENTS:

13 monthly payments at \$1,305.21 each;
(May 31, 1998 through June 1, 1999.)

\$16,967.73

LATE CHARGES:

12 late charges of \$65.26 for each monthly
payment not made within 15 days of its
due date.

783.12

Prior Late Charges:

1,074.10

Other Fees and Costs:

74.25

TOTAL MONTHLY PAYMENTS AND
LATE CHARGES:

\$18,899.20

Plus unpaid real property taxes; plus any reserve account shortage; less any unapplied funds.

b. Estimated amount of delinquent taxes for the years 1997-99: \$2,783.81 (plus interest and penalties).

By reason of the default, the beneficiary has declared all sums owing on the obligation secured by the trust deed immediately due and payable, the sums being the following, to-wit:

\$130,306.60 Principal Balance, plus interest thereon at the rate of 11.625% from May 31, 1998 through June 1, 1999; plus late charges of \$1,857.22 through June 1, 1999, plus \$65.26 for every month thereafter the regular monthly payment is more than 15 days late; plus unpaid real property taxes; plus any reserve account shortage; less any unapplied funds; plus all sums expended by beneficiary to protect its interest during the pendency of this proceeding.

Notice hereby is given that the beneficiary and trustee, by reason of the default, have elected and to 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 of the execution by grantor of the trust deed, together with any interest the grantor or the 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 the 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 October 15, 1999, at the front entrance of the Klamath County Courthouse, 317 South 7th Street, 2nd Floor, in the City of Klamath, State of Oregon, which is the hour, date and place last set for sale.

Other than as shown of record, neither the beneficiary nor the trustee has any actual notice of any person having or claiming to have any lien upon or interest in the real property hereinabove described subsequent to the interest of the trustee in the trust deed, or of any successor in interest to the grantor or of any lessee or other person in possession of or occupying the property, except:

NAME AND LAST KNOWN ADDRESS:

NATURE OF RIGHT, LIEN OR INTEREST:

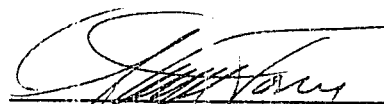
SEE APPENDED LIST

SEE APPENDED LIST

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 any other default complained of herein that is capable of being cured by tending the performance required under the obligation or trust deed, and in addition to paying the above 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 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 the obligation, the performance of which is secured by trust deed, and the words "trustee" and "beneficiary" include their respective successors in interest, if any.

DATED: June 1, 1999.



Steven G. Jones, Successor Trustee
c/o H&L SERVICES, INC.
1111 THIRD AVENUE, #3400
Seattle, Washington 98104-7006
(206) 386-5470

STATE OF WASHINGTON

COUNTY OF KING

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)ss
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This instrument was acknowledged before me on June 2nd, 1999.

June 2nd
June 2nd
Notary Public for Washington.
My Commission Expires: 5-14-2003



EXHIBIT "A"
LEGAL DESCRIPTION

A tract of land situated in a portion of Lot 43, Block G, HOMECREST, a duly recorded subdivision in Klamath County, Oregon, more particularly described as follows:

Beginning at a point on the Easterly right of way line of Crest Street and the West line of said Lot 43, from which the Southwest corner of said Lot 43 bears South 00 degrees 06' 23" West 75.00 feet; thence North 00 degrees 06' 23" East along said Easterly right of way line 16.00 feet; thence South 89 degrees 53' 37" East, parallel with the South line of said Lot 43, 298.78 feet to the Easterly line of said Lot 43; thence South 00 degrees 04' 34" West 91.00 feet to the Southeast corner of said Lot 43; thence North 89 degrees 53' 37" West along the South line of said Lot 43, 166.61 feet, more or less, to a point South 89 degrees 53' 37" East 132.21 feet from the Southwest corner of said Lot 43; thence North 00 degrees 06' 23" East, parallel with the West line of said Lot 43, 75.00 feet; thence North 89 degrees 53' 37" West 132.21 feet to the point of beginning, with bearings based on the recorded survey map of said Minor Land Partition No. 32-85.

THE PROPERTY INCLUDES A 1995 42 X 66 MOBILE HOME, MANUFACTURER GUERDON, MODEL UNKNOWN, SERIAL NUMBER GDSTOR099517374. THE MOBILE HOME SHALL BE PERMANENTLY AFFIXED TO THE REAL ESTATE AND NOT SEVERED OR REMOVED THEREFROM WITHOUT THE PRIOR WRITTEN CONSENT OF THE BENEFICIARY. TOGETHER WITH ALL PERSONAL PROPERTY WHICH IS NOW OR MAY HEREAFTER BE ATTACHED TO, LOCATED IN OR USED OR INTENDED TO BE USED IN CONNECTION THEREWITH (COLLECTIVELY "THE PROPERTY").

NAME AND LAST KNOWN ADDRESS: NATURE OF RIGHT, LIEN OR INTEREST:

OCCUPANTS

1811 CREST
KLAMATH FALLS, OR 97603

GARY LEE FANNING, SR.
1811 CREST
KLAMATH FALLS, OR 97603

VESTED OWNER

SANDRA ELAINE FANNING
1811 CREST
KLAMATH FALLS, OR 97603

VESTED OWNER

GARY LEE FANNING, SR.
1849 N. ELDORADO AVE.
KLAMATH FALLS, OR 97601

VESTED OWNER

SANDRA ELAINE FANNING
1849 N. ELDORADO AVE.
KLAMATH FALLS, OR 97601

VESTED OWNER

KLAMATH COUNTY
TAX COLLECTOR
305 MAIN ST.
KLAMATH FALLS, OR 97601

LIEN HOLDER

KLAMATH IRRIGATION
DISTRICT
6640 KID LANE
KLAMATH FALLS, OR 97603

LIEN HOLDER

State of Oregon, County of Klamath
Recorded 6/07/99, at 11:34 a.m.
In Vol. M99 Page 22261
Linda Smith, County Clerk
Fee \$25-

Linda Smith