

After Recording, Return to:

Melissa Tervet

PRESTON GATES & ELLIS

5000 COLUMBIA CENTER, 701 FIFTH AVENUE
SEATTLE, WA 98104

K-48127

NOTICE OF DEFAULT AND ELECTION TO SELL

Reference is made to that certain trust deed made by Dennis W. Jones and Terry L. Jones, husband and wife, as grantor, to First American Title Insurance Company of Oregon, an Oregon corp., as trustee, in favor of Directors Mortgage Loan Corporation, a California corporation, as beneficiary, dated September 12, 1994, recorded September 20, 1994, in the mortgage records of Klamath County, Oregon, in Volume M94, Page 29614, covering the following described real property situated in said county and state, to wit:

See Attached Legal Description

PROPERTY ADDRESS: 2110 Wiard Street, Klamath Falls, Oregon 97603

David E. Fennell, Trustee, 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 said 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 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 grantor's failure to pay when due the following sums: monthly payments of \$576.15 beginning 02/01/95; plus late charges of \$22.04 each month beginning 02/16/95; 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: \$58,802.77 with interest thereon at the rate of 9.00 percent per annum beginning 01/01/95; plus late charges of \$22.04 each month beginning 02/16/95 until paid; 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 is hereby given that the beneficiary and trustee, by reason of said default, have elected and do hereby elect to foreclose said 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 said 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 grantor's successors in interest acquired after the execution of the trust deed, to satisfy the obligations secured by said 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.

THIS IS AN ATTEMPT TO COLLECT A DEBT AND ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

Said 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 Friday, December 1, 1995, at the following place: inside the office located at 635 Main Street, in the City of Klamath Falls, County of Klamath, State of Oregon, which is the hour, date and place last set for said 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 any other default complained of herein that is capable of being cured by tendering the performance required under the obligation or trust deed, and 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.

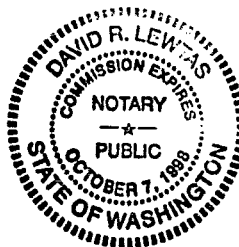
In construing this notice, the singular includes the plural, the word "grantor" includes any successor in interest to the grantor as well as any other person owing an obligation, the performance of which is secured by said trust deed, and the words "trustee" and "beneficiary" include their respective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


David E. Fennell -- Trustee

State of Washington)
)ss.
County of King)

This instrument was acknowledged before me
on July 26, 1995, by _____
David E. Fennell
Trustee

David R. Lewtas
Notary Public for Washington
My commission expires: 10/7/98



**NOTICE OF DEFAULT AND
ELECTION TO SELL**

Dennis W. Jones
Loan No. 8357477,
Grantor
TO

David E. Fennell
Matter No. 32533-50035,
Trustee

After recording return to:
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PRESTON GATES & ELLIS
5000 COLUMBIA CENTER, 701 FIFTH AVENUE
SEATTLE, WA 98104

PARCEL 1:

THE NORTH 60.3 FEET OF TRACT 2, PLEASANT HOME TRACTS, IN THE COUNTY OF KLAMATH, STATE OF OREGON.

EXCEPTING THEREFROM THE NORTH 60.3 FEET OF THE EAST 155 FEET OF TRACT 2, PLEASANT HOME TRACTS.

PARCEL 2:

THE NORTH 60.3 FEET OF THE EAST 155 FEET OF TRACT 2, PLEASANT HOME TRACTS, IN THE COUNTY OF KLAMATH, STATE OF OREGON.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Klamath County Title Company the 27th day
of July A.D., 19 95 at 3:31 o'clock P M., and duly recorded in Vol. M95,
of Mortgages on Page 19634.

Bernetha G. Letsch, County Clerk

FEE \$20.00

By Arnette Mueller