

After recording, please return to:  
Theresa R. Grady  
U.S. Bancorp, Law Division  
111 S.W. Fifth Avenue (T-2)  
P.O. Box 2200  
Portland, OR 97208-2200  
Phone (503) 275-5784

MAY 29 A9:48

**NOTICE OF DEFAULT AND ELECTION TO SELL  
AND  
APPOINTMENT OF SUCCESSOR TRUSTEE**

**96A) Notice of Default and Election to Sell**

Reference is made to that certain trust deed (the "Trust Deed") made, executed and delivered by Lyle W. Richards and Katheryn L. Richards, as Grantors, to Transamerica Title Insurance Company, as Trustee, to secure certain obligations in favor of United States National Bank of Oregon, as Beneficiary, dated May 1, 1979, and recorded May 1, 1979, in Volume M79, Page 9866 of the mortgage records of Klamath County, Oregon, covering the following described real property in such county and state:

Lots 21, 22, 23 and 24, Block 28, MOUNTAIN VIEW ADDITION TO THE CITY OF KLAMATH FALLS, in the County of Klamath, State of Oregon.

The beneficial interest under the Deed of Trust was assigned to U.S. Bank of Washington by instrument dated April 27, 1989 and recorded June 19, 1989, in Volume M89, Page 10906, of the mortgage records of Klamath County, Oregon.

**NOTICE IS HEREBY GIVEN that:**

1. There is a default by the Grantors with respect to one or more provisions in the Trust Deed, which Trust Deed authorizes sale in the event of default of such provisions.
2. The default for which the foreclosure mentioned below is elected is the failure of the Grantors to pay when due the following sums:
  - (a) The failure of the Grantors to pay when due seven monthly payments of \$788.00 each, due on November 1, 1995 and on the first day of each month thereafter. As of May 21, 1996, the total amount of monthly payments in default is \$5,516.00.
  - (b) The failure of the Grantors to pay late charges, in the amount of \$30.00 as of May 21, 1996.
3. By reason of said default, Beneficiary hereby declares the indebtedness secured by the Trust Deed immediately due and payable.
4. The sum immediately due, owing and payable on said indebtedness is \$47,262.93, together with interest thereon at the rate of 10.375 percent per annum from October 2, 1995, until paid, plus \$297.00 representing the cost of a trustee's sale guarantee.

**NOTICE IS FURTHER GIVEN that:**

1. Beneficiary, by reason of said default, hereby elects to foreclose the Trust Deed by advertisement and sale in the manner provided in ORS 86.705 to ORS 86.795, and to cause to be sold at public auction to the highest bidder for cash the interest in said described property which the Grantors had, or had power to convey, at the time of the execution by them of the Trust Deed, together with any interest the Grantors or their 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 a Trustee's fee as provided by law, and the reasonable fees of Trustee's attorneys.
2. The sale of the above described real property will be held at the hour of 10:00 a.m., Standard Time as established by ORS 187.110, on October 15, 1996, at the following place:

Front steps of the Klamath County Courthouse, in the City of Klamath Falls, County of Klamath, State of Oregon.

NOTICE IS FURTHER GIVEN that the Grantors, or any person named in ORS 86.753 has the right at any time prior to five days before the Trustee's sale to require that the foreclosure proceeding be dismissed and the Trust Deed reinstated by the payment of the entire amount then due (other than such portion of the principal as would not be due had no default occurred) under the terms of the Trust Deed and obligations secured thereby, including all costs and expenses actually incurred and Trustee's attorneys' fees as provided by ORS 86.753, and by curing any other default complained of in the notice of default.

In construing this notice the word "Grantor" shall include any successor in interest of Grantor as well as any other person owing an obligation the performance of which is secured by the Trust Deed and their successors in interest; the word "Trustee" shall include any successor Trustee, and the word "Beneficiary" shall include any successor in interest of Beneficiary named in the Trust Deed.

THE UNDERSIGNED HEREBY CERTIFIES that:

1. No action has been instituted to recover the debt, or any part of it, remaining secured by the Trust Deed, or, if such action has been instituted, the action has been dismissed.

2. The undersigned is the present Beneficiary of the Trust Deed and is the owner and holder of the Trust Deed and the promissory note described therein.

**B) Appointment of Successor Trustee**

THE UNDERSIGNED HEREBY APPOINTS Wendell G. Kusnerus as successor Trustee under the Trust Deed described in the foregoing Notice.

The Beneficiary hereby gives all the notices and takes all of the actions set out in A) and B) above.

NOTICE AND APPOINTMENT DATED this 21th day of May, 1996 .

U.S. BANK OF WASHINGTON, NATIONAL  
ASSOCIATION, Beneficiary

By:

*Sandra Ryan*  
Sandra Ryan, Loan Recovery Officer

STATE OF OREGON                     )  
  ) ss.  
COUNTY OF MULTNOMAH        )

On this 21th day of May, 1996, before me personally appeared Sandra Ryan who, being first duly sworn, did say that she is Loan Recovery Officer of U.S. Bank of Washington, National Association, a national banking association, and that the foregoing instrument was signed on behalf of said U.S. Bank of Washington, National Association by authority of its board of directors and she acknowledged said instrument to be its voluntary act and deed.

IN TESTIMONY WHEREOF I have hereunto set my hand and affixed my official seal, the date first hereinabove written.

STATE OF OREGON,                     ss.  
County of Klamath

*Margaret A. Mitchell*  
Notary Public for *Oregon*  
My commission expires: *1-30-98*

Filed for record at request of:

U.S. Bank Of Washington, Natural  
on this 29th day of May A.D., 19 96  
at 9:48 o'clock AM. and duly recorded  
in Vol. M96 of Mortgages Page 15425.  
Bernetha G Letsch, County Clerk  
By *[Signature]* Deputy.

