After Recording, Return to: Donna Findlay PRESTON GATES & ELLIS 5000 COLUMBIA CENTER, 701 FIFTH AVENUE SEATTLE, WA 98104

NOTICE OF DEFAULT AND ELECTION TO SELL

Reference is made to that certain trust deed made by David B. Downing, a married man, as grantor, to First American Title Insurance Company of Oregon, as trustee, in favor of Directors Mortgage Loan Corporation, as beneficiary, dated December 20, 1994, recorded December 23, 1994, in the mortgage records of Klamath County, Oregon, in Volume M94, Page 38740, covering the following described real property situated in said county and state, to wit:

LOT 4, BLOCK 3, CASCADE PARK, IN THE COUNTY OF KLAMATH, STATE OF OREGON

PROPERTY ADDRESS:

3471 Hope Street, Klamath Falls, Oregon 97603

Lucy E. Kivel, 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 \$761.00 beginning 09/01/96; plus late charges of \$30.60 each month beginning 09/16/96; 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: \$78,623.66 with interest thereon at the rate of 8.50 percent per annum beginning 08/01/96; plus late charges of \$30.60 each month beginning 09/16/96 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.

40292

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, May 2, 1997, at the following place: the office of Brandsness, Brandsness & Rudd, PC, 411 Pine Street, in the City of Klamath Falls, County of Klamath, State of Oregon, which is the hour, date and place last

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.

Lucy E. Rivel -- Trustee

State of Oregon

) es.

County of Multnomah

Trustee

Lucy E. Kivel

Notary Public for Oregon My commission expires: (

OFFICIAL SEAL SHARON R. DORNFELD NOTARY PUBLIC - OREGON COMMISSION NO.021521 SION EXPIRES JAN. 24, 1997

strang 24, 1997

ELECTION TO SELL iiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiii Downing loan no. 3474318,

Grantor

TO

Lucy E. Kivel Matter no. 17183-40157,

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

STATE OF OREGON: COUNTY OF KLAMATH:

Filed f	for record at request of December	the 30th	do
		A.D., 1936 at 2:13 o'clock P. M., and duly recorded in Vol. M96 of Mortgages on Page 40291	_ua
FEE	\$15.00	Bernetina G. Letsch, County Clerk	

by Kuthen Kuss