

RECORDED AT THE REQUEST OF
AND AFTER RECORDING RETURN TO:

H&L Services, Inc., Trustee
1111 Third Avenue, #3400
Seattle, WA 98101

MCNAIR
91850-000044

K56089

NOTICE OF DEFAULT AND ELECTION TO SELL

Reference is made to that certain trust deed made by JEANNIE M. MCNAIR, AN UNMARRIED INDIVIDUAL, as grantor, to MOUNTAIN TITLE COMPANY, AN OREGON CORPORATION, as trustee, in favor of WASHINGTON MUTUAL BANK, as beneficiary, dated October 27, 1995, recorded November 20, 1995, in the mortgage records of Klamath County, Oregon, as Fee No. M-95 on Page 31637, covering the following described real property situated in the above county and state, to-wit:

LOT 32, BLOCK 1, KELENE GARDENS FIRST ADDITION, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE COUNTY CLERK OF KLAMATH COUNTY, OREGON.

The real property is more commonly known as: 4809 LARRY PLACE, 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:

4 monthly payments at \$429.51 each; (July 1, 2000 through October 17, 2000.)	\$1,718.04
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LATE CHARGES:

4 late charges of \$21.48 for each monthly payment not made within 15 days of its due date.	85.92
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TOTAL MONTHLY PAYMENTS AND LATE CHARGES:	\$1,803.96
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Plus unpaid real property taxes; plus any reserve account shortage; less any unapplied funds.

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:

\$45,135.18 Principal Balance, plus interest thereon at the rate of 7.75% from June 1, 2000 through October 17, 2000; plus late charges of \$85.92 through October 17, 2000, plus \$21.48 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 February 23, 2001, at the front entrance of the Klamath County Courthouse, 316 Main Street, in the City of Klamath Falls, 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:

OCCUPANTS
JEANNIE M. MCNAIR
JOHN DOE MCNAIR
4809 LARRY PLACE
KLAMATH FALLS, OR 97603

VESTED OWNERS

P.O. BOX 186
BEATTY, OR 97621

THE KLAMATH TRIBES HOUSING
AUTHORITY
P.O. BOX 436
CHILOQUIN, OR 97624

LIEN HOLDER

BENEFICIAL OREGON INC.
1345 CENTER DRIVE, SUITE D
MEDFORD, OR 97501

JUNIOR LIEN HOLDER

ASSOCIATES FINANCIAL SERVICES
COMPANY OF OREGON, INC.
259 BARNETT ROAD, SUITE J
MEDFORD, OR 97501

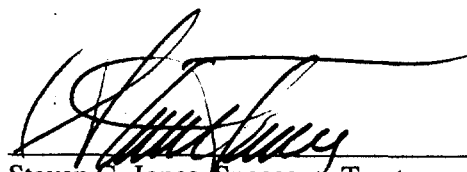
Junior Lien Holder

2848 S. 6TH STREET, SUITE 1
KLAMATH FALLS, OR 97603

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: October 17, 2000.



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)
) ss
COUNTY OF KING)

On this 17th day of October, 2000, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared . Steven G. Jones to me known to be the Successor Trustee. the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that she is authorized to execute the said instrument.

Witness my hand and official seal hereto affixed the day and year first above written.



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Autumn C. Webb
Notary Public for Washington.
My Commission Expires: 7-9-04

State of Oregon, County of Klamath
Recorded 10/20/00, at 3:40 P.m.
In Vol. M00 Page 38407
Linda Smith,
County Clerk Fee \$ 31.00