

After recording return to:

Michael R. Silvey, Esq.
 Successor Trustee
 Foster, Pepper & Shefelman LLP
 101 S.W. Main, 15th Floor
 Portland, OR 97204-3233

2000 OCT 26 AM 11: 25

mtc 52297

NOTICE OF DEFAULT AND ELECTION TO SELL

Reference is made to that certain trust deed made by DINO HERRERA, an unmarried individual, as grantor, to MOUNTAIN TITLE COMPANY, an Oregon corporation, as trustee in favor of WASHINGTON MUTUAL BANK, as beneficiary, dated November 20, 1995, recorded December 5, 1995, in the mortgage records of Klamath County, Oregon, in Microfilm Volume 95, Page 33274. Said trust deed was modified by Modification of Deed of Trust dated May 1, 1999 and recorded July 13, 1999, in Volume M99, at Page 27962, Microfilm Records of Klamath County, Oregon. The trust deed covers the following described real property situated in the above county and state, to-wit:

Lots 7 and 8 in Block 13 of CHILOQUIN DRIVE 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 646 S. Chiloquin Drive, Chiloquin, Oregon.

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 situated; 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 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:

5 monthly payments at \$552.32 each: (June 1, 2000 through October 23, 2000)	\$2,761.60
5 Late charges @ \$18.99 each for each month payment not made within 15 days of the due date (through October 15, 2000)	\$94.95
Property Inspection(s)	\$75.00

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:

\$52,493.58; plus interest thereon at the rate of 7.750% from May 1, 2000, until paid; plus late charges of \$94.95 through October 23, 2000, plus \$18.99 for every month thereafter the regular monthly payment is more than 15 days late; plus \$75.00 for property inspection(s); 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 is hereby given that the beneficiary and trustee, by reason of the default, have elected and do 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 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 **10:30 a.m.**, in accord with the standard of time established by ORS 187.110 on **March 1, 2001**, at the front entrance of the Klamath County Courthouse in the City of Klamath Falls, 403 Pine Street, County of Klamath, State of Oregon, which is the hour, date and place last set for the 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 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
Dino Herrera PO Box 1160 Chiloquin, OR 97624	Grantor
Occupants 646 S Chiloquin Drive Chiloquin, OR 97624	Right of Tenancy
The Klamath Tribes Housing Authority 31725 Highway 97 North Chiloquin, OR 97624	Junior Lienholder
Dept. of Human Resources State of Oregon 39 North Central Medford, OR 97501-2781	Judgment Lienholder (Case No. 98-5041CV)
McMahans Furniture Credit Bureau of Klamath County 839 Main St. Klamath Falls, OR 97601	Judgment Lienholder
McMahan's Furniture 6320 South Sixth St. Klamath Falls, OR 97603	

Internal Revenue Service
PO Box 3550
Portland, OR 97208

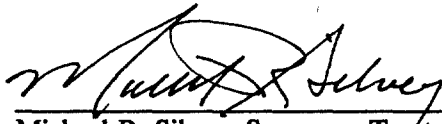
Federal Tax Lien

Internal Revenue Service
915 Second Avenue M/S 246
Seattle, WA 98174

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 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 an obligation, the performance of which is secured by the trust deed, and the words "trustee" and "beneficiary" include their respective successors in interest, if any.

DATED: October 24, 2000.



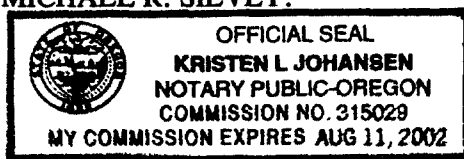
Michael R. Silvey, Successor Trustee


STATE OF OREGON

)
) ss.
)

County of Multnomah

This instrument was acknowledged before me on the 24th day of October, 2000, by
MICHAEL R. SILVEY.





Notary Public for Oregon
My Commission Expires: Aug 11, 2002

PLEASE CONTACT LILLIAN ERWIN, PARALEGAL, AT 503/221-5377 WITH ANY QUESTIONS CONCERNING THIS FORECLOSURE.

State of Oregon, County of Klamath
Recorded 10/26/00, at 11:25 a.m.
In Vol. M00 Page 39085
Linda Smith,
County Clerk Fee\$ 31⁰⁰