

After recording, return to:

Sabrina Loiselle
Miller Nash LLP
111 S.W. Fifth Avenue, Suite 3500
Portland, Oregon 97204-3699

2001 MAR 13 PM 2:30

NOTICE OF DEFAULT AND ELECTION TO SELL

1. This notice of default is recorded pursuant to ORS 86.735(3) with respect to a trust deed (the "Trust Deed") dated **July 20, 1979**, by **Steven D. Mankinen and Tana L. Mankinen** (the "Grantor"), to **William Sisemore** (the "Trustee"), to secure payment and performance of certain obligations of the Grantor to **Klamath First Federal Savings and Loan Association** (the "Beneficiary"), including repayment of the promissory note (the "Note") dated **July 20, 1979**, in the principal amount of **\$33,000.00** ("the Note").

2. The description of the real property covered by the Trust Deed is as follows:

Lot 623 Block 128, MILLS ADDITION, to the city of Klamath Falls, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

3. The Trust Deed was recorded on **July 23, 1979**, in **Volume M79** at **Page 17448** in the official real property records of Klamath County, Oregon.

4. The successors in interest to the Grantor are **Roberto R. Davila and Sylvia R. Davila** and title to the property is currently vested in Roberto R. Davila and Sylvia R. Davila.

5. The successor trustee hereby certifies that no action has been instituted to recover the obligation, 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).

6. The default for which the foreclosure is made is the Grantor's failure to make monthly payments in full beginning August 25, 2000 to the present as required under the terms of the Note and Trust Deed in the total amount of \$2,579.92 as of March 6, 2001, and late charges in the total amount of \$77.40 as of March 6, 2001.

7. By reason of said default, Klamath First Federal Savings and Loan Association, as beneficiary under the Trust Deed, has declared all sums owing on the obligation secured by the Trust Deed immediately due and payable which sums are as follows: (a) the principal amount of \$16,764.42, (b) accrued interest of \$1,231.50 as of March 6, 2001, and interest accruing thereafter on the principal amount at the rate of 10.750 percent per annum until paid, (c) late charges of \$ 77.40 as of March 6, 2001, and any late charges accruing thereafter, (d) amounts that the Beneficiary has paid on or may hereinafter pay to protect the lien, including by way of illustration, but not limitation, taxes, assessments, interest on prior liens, and insurance premiums, and (e) costs and attorney and trustee fees incurred by the Beneficiary in foreclosure, including the cost of a trustee's sale guarantee and any other environmental or appraisal report.

