

After recording return to:

Attn: Foreclosure Department
FIRST AMERICAN TITLE INSURANCE COMPANY
400 Countrywide Way, SV-35
Simi Valley, CA 93065

Vol M02 Page 12225

State of Oregon, County of Klamath
Recorded 02/28/2002 2:39 p. m.
Vol M02, Pg 12225-26
Linda Smith, County Clerk
Fee \$ 26⁰⁰ # of Pgs 2

'02 FEB 28 PM2:39

NOTICE OF DEFAULT AND ELECTION TO SELL

Reference is made to that certain trust deed made by JEFFFREY R. PENNY, as grantors, to FIRST AMERICAN TITLE INSURANCE COMPANY, as trustee, in favor of PEOPLE'S BANK OF COMMERCE, AN OREGON BANKING CORPORATION, as beneficiary, dated 04/11/2000, recorded 04/14/2000, in the mortgage records of KLAMATH County, Oregon, in Reel Number M00 at Page Number 12256 as Recorder's fee/file/instrument/microfilm/reception Number, re-recorded 10/04/01, in the mortgage records of KLAMATH County, Oregon, in Reel Number M01 at Page Number 50677 as Recorder's fee/file/instrument/microfilm/reception Number, and subsequently assigned to COUNTRYWIDE HOME LOANS, INC. by Assignment recorded 05/04/2000 in Reel Number M00 at Page Number 16143 as Recorder's fee/file/instrument/microfilm/reception Number, re-recorded 10/04/2001 in Reel Number M01 at Page Number 50682 as Recorder's fee/file/instrument/microfilm/reception Number, covering the following described real property situated in said county and state, to wit:

LOT 2, BLOCK 97, BUENA VISTA ADDITION TO THE CITY OF KLAMATH FALLS, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE COUNTY CLERK, KLAMATH COUNTY, OREGON.

AP # 3809-029CC-06900-000

PROPERTY ADDRESS: 1045 CALIFORNIA AVENUE
KLAMATH FALLS, OR 97601

There is default by the grantor or other person, or by their successor in interest, 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 grantors' failure to pay when due the following sums: monthly payments of \$549.00 beginning 09/01/2001; plus late charges of \$21.96 each month beginning 09/01/2001 payment plus prior accrued late charges of \$65.88; plus advances of \$60.00; 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: \$55,002.11 with interest thereon at the rate of 8.5 percent per annum beginning 08/01/2001 plus late charges of \$21.96 each month beginning 09/01/2001 until paid; plus prior accrued late charges of \$65.88; plus advances of \$60.00; 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.

Notice is hereby given that the beneficiary and trustee, by reason of said 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 the grantor executed 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 reasonable fees of trustee's attorneys.

NOTICE OF DEFAULT AND ELECTION TO SELL

RE: Trust Deed from
Grantor
to
FIRST AMERICAN TITLE INSURANCE COMPANY,
Trustee TS No. 027021783

For Additional Information:
Please Contact
FIRST AMERICAN TITLE INSURANCE
COMPANY
400 Countrywide Way, SV-35
Foreclosure Department
Simi Valley, CA 93065
(800) 669-6650

1054900

K26.

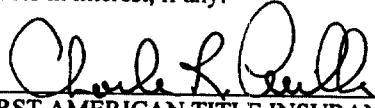
12226

The sale will be held at the hour of 10:00:00 AM, in accord with the standard of time established by ORS 187.110 on 07/12/2002, at the following place: inside the 1st floor lobby of the Klamath County Courthouse, 316 Main Street, in the City of Klamath Falls, County of KLAMATH, State of Oregon, which is the hour, date and place last set for the sale.

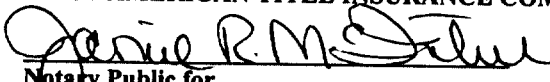
Notice is further given that any person named in ORS 86.753 has the right, at any time prior to five days before the date last set for the sale, to have this foreclosure proceeding dismissed and the trust deed reinstated by payment to the beneficiary of the entire amount then due (other than such portion of the principal as would not then be due had no default occurred) and by curing every other default complained of herein by tendering the performance required under the obligation or trust deed, 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 ORS 86.753.

In constructing 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.

STATE OF CALIFORNIA)
) ss.
COUNTY OF CONTRA COSTA


FIRST AMERICAN TITLE INSURANCE COMPANY
ASSISTANT VICE PRESIDENT

This instrument was acknowledged before me on 2-27, 2002, by
FIRST AMERICAN TITLE INSURANCE COMPANY, as Trustee.


Notary Public for _____
My commission expires: _____



THIS IS AN ATTEMPT TO COLLECT A DEBT AND INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE. HOWEVER IF YOU HAVE OR ARE IN THE PROCESS OF OBTAINING DISCHARGE OF THE DEBT FROM A BANKRUPTCY COURT, THIS DOCUMENT IS NOT AN ATTEMPT TO COLLECT A DEBT, BUT ONLY ENFORCEMENT OF LIEN RIGHTS AGAINST THE PROPERTY.