

Record and Return to:

STANDARD TRUSTEE SERVICE COMPANY WASHINGTON
2600 STANWELL DRIVE, SUITE 200
CONCORD, CA 94520
(925) 603-1000

T.S. No: ONMC057523
Loan No: 2973619/685/Heath

K58855

NOTICE OF DEFAULT AND ELECTION TO SELL

The Trustee, under the terms of the Trust Deed described herein, at the direction of the Beneficiary, hereby elects to sell the property described in said Trust Deed to satisfy the obligations secured thereby;

A. PARTIES IN THE DEED OF TRUST:

GRANTOR(S): Douglas Heath and Barbara Heath

TRUSTEE: David A. Kubat, OSBA 84265

SUCCESSOR TRUSTEE: Fidelity National Title Insurance Company

BENEFICIARY: Western Sunrise aka Crossland Mortgage Corp.

State of Oregon, County of Klamath

Recorded 06/05/2002 11:23 a m.Vol M02, Pg 33116-17

Linda Smith, County Clerk

Fee \$ 26.00 # of Pgs 2B. DESCRIPTION OF PROPERTY:

The East one-half of Lot 2 and the Easterly 11 feet of the Westerly one-half of Lot 2, all in Block 34, Hillside 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.

Property commonly known as: 1734 Crescent Avenue Klamath Falls, OR 97601

C. TRUST DEED INFORMATION:

DATED DATE: 04/02/1998
RECORDING DATE: 04/15/1998
INSTRUMENT NO.: 58451 Book: M98 Page: 12514
RECORDING PLACE: Official records of the County of Klamath
State of Oregon

D. DEFAULT: The Debtor(s) are in default and the Beneficiary elects to foreclose the Trust Deed for failure to pay:1. MONTHLY PAYMENTS:

Monthly installments and late charges from 02/01/2002 plus all subsequent installments and late charges,

TOTAL PAYMENTS & LATE CHARGES \$1,706.08

2. Other Arrearages:

\$520.00

3. TOTAL AMOUNT DUE:

\$2,226.08

Plus all accrued real property taxes, interest or penalties until paid.

E. AMOUNT DUE: The beneficiary has declared all sums owing on the obligation and Trust Deed immediately due and payable, said sums being:

Principal Balance: \$49,066.06

In addition to said principal, interest at the rate of variable as provided in the Note or other instrument secured, shall be payable from 01/01/2002 at 7.500%, as well as all Trustee's fees and costs, Attorneys fees and costs, and all foreclosure costs.

K26

T.S. No: ONMC057523

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F. ELECTION TO SELL: 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 Oregon Revised Statutes Sections 86.705 et. seq., and to cause to be sold at public auction to the highest bidder, for cash or certified funds, the interest in the described property which the Debtor(s) had, or had the power to convey, at the time of the execution of the Trust Deed together with any interest the Grantor or successors in interest acquired after the execution of the Trust Deed, to satisfy the obligations secured by said Trust Deed together with the expenses of the sale, including the compensations of the Trustee as provided by law, and the reasonable fees of the Trustee's Attorney.

G. TIME AND PLACE OF SALE:

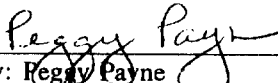
TIME : 10:00 A.M. Friday, 10/18/2002

PLACE: On the front steps of the Circuit Court 316 Main Street Klamath Falls, OR

H. RIGHT TO REINSTATE: NOTICE IS FURTHER GIVEN That at any time prior to five days before the sale, this foreclosure proceeding may be dismissed and the Trust Deed reinstated by payment to the Trustee 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 to the Trustee actually incurred by Beneficiary and Trustee in enforcing the obligation and Trust Deed, together with Trustee's fees and Attorney's fees.

Dated: May 31, 2002

Fidelity National Title Insurance Company
c/o Standard Trustee Service Company Washington
2600 Stanwell Drive, Suite 200
Concord, CA 94520
(925)603-1000


By: Peggy Payne
It's: Assistant Secretary as authorized agent

STATE OF CALIFORNIA
COUNTY OF CONTRA COSTA

This instrument was acknowledged before me on May 31, 2002

by Peggy Payne as Assistant Secretary

of Standard Trustee Service Company Washington authorized agent of Fidelity National Title Insurance Company


NOTARY PUBLIC FOR CALIFORNIA
MY COMMISSION EXPIRES: 4/16/2006

