

NOTICE OF DEFAULT AND ELECTION TO SELL

Reference is made to that certain trust deed made by FERNANDO H. RAYAS, as Grantor, to AMERITITLE, as Trustee, in favor of SECURITY BANK, ITS SUCCESSORS AND/OR ASSIGNS as beneficiary, NOW KNOWN AS UMPQUA BANK dated MAY 31, 2001, recorded JUNE 5, 2001, in the mortgage records of Klamath County, Oregon, Book M-01, Page 26442, covering the following described real property situated in said county and state, to-wit:

UNIT 10410 (KINCHELOE AVENUE), TRACT 1365, FALCON HEIGHTS CONDOMINIUM, STAGE 2, according to the official plat thereof on file in the office of the Clerk of Klamath County, Oregon.

PROPERTY ADDRESS: 10410 Kincheloe Avenue, 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 situated; further, that no action has been instituted to recover the debt, or any part thereof, now remaining secured by the said 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 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 grantor's failure to pay when due the following sums:

5 PAYMENTS OF \$564.00 (4/1/02 - 8/1/02) \$2,820.00
ACCRUED LATE CHARGES OF \$97.16
TOTAL \$2,917.16

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:

PRINCIPAL BALANCE OF \$69,024.05

INTEREST FROM 3/01/01 TO 8/12/02 @ 7.5% \$2,313.61
OR PER DIEM OF \$14.1377 THEREAFTER

LATE CHARGES \$97.16

TRUSTEE'S FEE OF \$675.00

ESTIMATED TRUSTEE'S COSTS (ITEMIZED)

TITLE REPORT \$370.00
RECORDING FEES \$100.00
PUBLICATION \$1,000.00
CERTIFIED MAILING \$25.00
PROCESS SERVICE \$200.00

TOTAL: \$73,804.82

State of Oregon, County of Klamath
Recorded 08/15/2002 2:24 p m.
Vol M02, Pg 45967-68
Linda Smith, County Clerk
Fee \$ 26.00 # of Pgs 2

Notice hereby is 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 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 said described property which the grantor had, or had the power to convey, at the time of the execution by him of the trust deed, together with any interest the grantor or his successors in interest acquired after the execution of the trust deed, to satisfy the obligations secured by said 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.

Said 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 MONDAY, DECEMBER 16, 2002, at the following place: Outside the front entrance, to 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 set sale.

Neither the said beneficiary nor the said 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

Fernando H. Rayas 10410 Kincheloe Avenue Klamath Falls, OR 97603	Grantor
Klamath First Federal Savings & Loan Association 540 Main Street Klamath Falls, OR 97601	lien holder
PARTIES IN POSSESSION, IF ANY	POSSIBLE INTEREST IN PROPERTY

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 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 said ORS 86.753.

In construing this notice, the masculine gender includes the feminine and the neuter, 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.

DATED: August 13, 2002.

Susan J. Robinson
SUSAN J. ROBINSON
SUCCESSOR TRUSTEE

(If the signer of the above is a corporation,
use the form of acknowledgment opposite.)

STATE OF WASHINGTON)
COUNTY OF KING)

The foregoing instrument was acknowledged
before me this DAY OF
2002, by SUSAN J.

STATE OF OREGON, County of _____) ss.

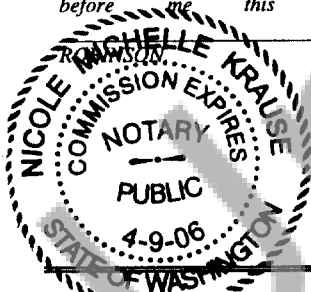
The foregoing instrument was acknowledged before me this
_____, 2002, by _____,
_____, president, and by _____,
_____, secretary of _____

a _____ corporation, on behalf of the corporation.

Notary Public for Oregon

My commission expires:

(SEAL)



**NOTICE OF DEFAULT AND
ELECTION TO SELL**

(FORM No. 884)
STEVENS-NESS LAW PUB. CO., PORTLAND, OR.

Re: Trust Deed From
Fernando H. Rayas
Grantor

To
Susan J. Robinson
Successor Trustee

SPACE RESERVED
FOR
RECORDER'S USE

STATE OF OREGON, _____)
County of _____) ss.

I certify that the within instrument was
received for record on the _____ day of
_____, 2002, at _____
o'clock _____ M., and recorded in book/reel/volume
No _____ on page _____ or as
fee/file/instrument/microfilm/reception No. _____
Record of Mortgages of said County.

Witness my hand and seal of County affixed.

By _____ NAME _____ TITLE _____ Deputy