

NOTICE OF DEFAULT

Reference is made to that certain Trust Deed made by ROBERT GARDNER AND JERRI GARDNER, HUSBAND AND WIFE, as grantor(s), to FIRST AMERICAN TITLE INSURANCE CO., Trustee in favor of HERITAGE MORTGAGE CORPORATION, AN OREGON CORPORATION, as Beneficiary, dated April 8, 1999, recorded April 14, 1999 in the Records of KLAMATH County, Oregon, in Book/Reel/Volume/No. ---- at Page ----, and/or as Fee/File/Instrument/Microfilm/Reception No. ~~BK199 Pg. 1433~~ covering the following described real property situated in the above-mentioned county and state, to-wit:

LOT 1, BLOCK 6, RIVER PINE ESTATES, ACCORDING TO THE OFFICIAL PLAT THEREOF ON
FILE IN THE OFFICE OF THE COUNTY CLERK OF KLAMATH COUNTY, OREGON.
Parcel Number: R132109

Although the undersigned Trustee disclaims any liability for any incorrectness herein, the street address or other common designation, if any, of the real property described herein is purported to be:

**1145 RECTOR DRIVE
LAPINE, OR 977390000**

The undersigned hereby certifies that no assignments of the trust deed by the trustee or by the beneficiary and no appointment of a successor trustee have been made, except as recorded in the records of the county or counties in which the above-described real property is situated. Further, 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 grantor or other person owing an obligation, performance of which is secured by the trust deed, or by the 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:

1. Monthly payments in the amount of \$727.38 due beginning July 1, 2002 and monthly late charges in the amount of \$58.19.

By reason of the default, the beneficiary has declared all sums owing on the obligation secured by the trust deed immediately due and payable, those sums being the following, to-wit:

1. Principal of \$78,750.00 and accruing interest as of June 1, 2002 at the rate of 11% per annum from June 1, 2002 until paid.
2. \$116.38 in late charges plus future charges.
3. Together with title expenses, costs, trustee's fees, attorney fees, and any other cost advances made by beneficiary to protect its interest in the said property and any other applicable penalties.

NOTICE OF DEFAULT

Trustee Sale Number: **56539-F**
Loan Number: **800707580**
TSG Number: **2410416**

Recording Requested by
And when recorded mail to:
FIDELITY NATIONAL TITLE INSURANCE COMPANY
c/o Attorneys Equity National Corporation
23721 Birtcher Drive
Lake Forest, CA 92630
(503) 887-3020

State of Oregon, County of Klamath
Recorded 09/13/2002 2:35 P m.
Vol M02, Pg 52301-03
Linda Smith, County Clerk
Fee \$ 31.00 # of Pgs 3

31 A

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 grantor had, or had the power to convey, at the time of the execution by grantor of the trust deed, together with any interest grantor or grantor's successor 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 10:00 AM, in accord with the standard of time established by ORS 187.110 on January 27, 2003, at the following place: AT THE MAIN ENTRANCE TO THE COUNTY COURTHOUSE 316 MAIN ST. KLAMATH FALLS, OR., 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 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 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 fees not exceeding the amounts provided by ORS 86.753.

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52303

In construing this notice, the singular includes the plural, the work "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.

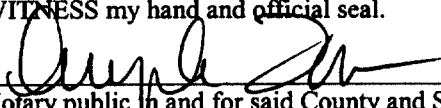
September 12, 2002

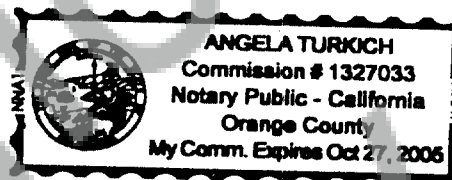
FIDELITY NATIONAL TITLE INSURANCE
COMPANY


By: Attorneys Equity National Corporation, as Agent
Charles Alderman, III, Vice President

State of California
County of Orange
On this 12 day of Sept 02, before me, Angela Turkich, a Notary Public in and
for said county and state, personally appeared Charles Alderman III, personally
known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name subscribed to
the within instrument and acknowledged that he/she executed the same.

WITNESS my hand and official seal.


Notary public in and for said County and State



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