

**NOTICE OF DEFAULT  
AND ELECTION TO SELL**

**RE: Trust Deed from ROBERT G. STONE AND  
CYNTHIA L. STONE, AS TENANTS BY THE  
ENTIRETY Grantor**

**To FIRST AMERICAN TITLE INSURANCE  
COMPANY BY ALLIANCE DEFAULT SERVICES,  
AS ITS DULY AUTHORIZED AGENT Successor  
Trustee**

After recording return to(name, address, zip):

**Alliance Default Services,  
a division of Alliance Title Company  
1201 Dove Street, Suite 400  
Newport Beach, CA 92660**

*1st 749800*

**M06-01451**

Klamath County, Oregon

01/24/2006 03:35:52 PM

Pages 2 Fee: \$26.00

TS No: 06-3747-OR

Loan No: 1000882728

Reference is made to that certain trust deed made by ROBERT G. STONE AND CYNTHIA L. STONE, AS TENANTS BY THE ENTIRETY as grantor, to FIRST AMERICAN TITLE INSURANCE COMPANY as successor trustee, in favor of INDYMAC MORTGAGE HOLDINGS, INC., as beneficiary, dated 6/26/2000, recorded 7/5/2000, in the Records of Klamath County, Oregon, in book M00 at page 24621, and/or as fee/file/instrument/microfilm/reception No. (indicate which), covering the following described real property situated in the above-mentioned county and state, to wit:

**APN: 488690**

**LOT 5, BLOCK 21, TRACT 1005, FOURTH ADDITION TO KLAMATH RIVER ACRES, IN THE COUNTY OF KLAMATH, STATE OF OREGON.**

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 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 such provision. The default for which foreclosure is made is grantor's failure to pay when due the following sums:

Principal Balance: **\$77,616.86**

**Delinquent Payments**

| <u>FROM</u> | <u>THRU</u> | <u>NO. PMT</u> | <u>RATE</u> | <u>AMOUNT</u> | <u>TOTAL</u> |
|-------------|-------------|----------------|-------------|---------------|--------------|
| 9/1/2005    |             | 10             | 10.75       | \$848.84      | \$8,488.40   |

Total Late Charges:

\$336.24

Beneficiary Advances

\$8,824.64

**TOTAL FORECLOSURE COST:  
TOTAL REQUIRED TO REINSTATE:**

\$2,157.00  
\$10,981.64

*206*

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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:

INSTALLMENT OF PRINCIPAL AND INTEREST PLUS IMPOUNDS AND / OR ADVANCES WHICH BECAME DUE ON 9/1/2005 PLUS LATE CHARGES, AND ALL SUBSEQUENT INSTALLMENTS OF PRINCIPAL, INTEREST, BALLOON PAYMENTS, PLUS IMPOUNDS AND/OR ADVANCES AND LATE CHARGES THAT BECOME PAYABLE PURSUANT TO THE NOTE AND/OR THE DEED OF TRUST.

Notice hereby is given that the beneficiary and trustee, by reason of 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 **6/2/2006**, at the following place: **AT THE MAIN STREET ENTRANCE, KLAMATH COUNTY COURTHOUSE, KLAMATH FALL, OR** County of Klamath, State of Oregon, which is the hour, date and place last set for sale.

Other than as shown of record, neither the beneficiary nor the 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 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

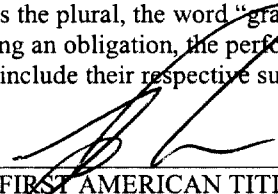
**ROBERT G. STONE; CYNTHIA L. STONE**

18109 PONDEROSA LANE  
KLAMATH FALLS, OR 97601

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. FOR FURTHER INFORMATION CONTACT: ALLIANCE DEFAULT SERVICES, 1201 DOVE ST., STE 400. NEWPORT BEACH, CA 92660 ph: 949-252-2800

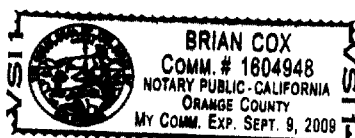
In construing this notice, the singular includes the plural, the word "grantor" includes any successor in interest to this grantor as well as any other person owing an obligation, the performance of which is secured by the trust deed, and the words "trustee" and "beneficiary" include their respective successors in interest, if any.

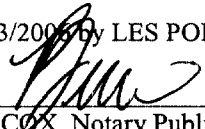
Dated **January 23, 2006**

  
FIRST AMERICAN TITLE INSURANCE COMPANY, BY  
ALLIANCE DEFAULT SERVICES, ITS DULY  
AUTHORIZED AGENT  
Successor Trustee

STATE OF California,  
County of Orange

This instrument was acknowledged before me on 1/23/2006 by LES POPPITT,



  
BRIAN COX, Notary Public