USSO | NOTICE OF DEFAULT AND ELECTION TO SELL

Vol_MO4 Page 72228

RE: Trust Deed from

Sherman G. Sunitsch (deceased) and Karrie J. Sunitsch PO Box 964 Phoenix, Oregon 97535 Grantors

To

Richard A. Mario, OSB #79079
Successor Trustee

After recording, return to Richard A. Mario 3 Centerpointe Drive, Suite 250 Lake Oswego, OR 97035 State of Oregon, County of Klamath Recorded 10/22/2004 2:33 p m Vol M04 Pg 72228-29 Linda Smith, County Clerk Fee \$ 2600 # of Pgs 2

Reference is made to that certain trust deed made by Sherman G. Sunitsch and Karrie J. Sunitsch, to Klamath County Title Company, as trustee, and Ann Gabrielson, as Beneficiary, the trust deed dated June 9, 1997, recorded on June 10, 1997, in the Microfilm Records of Klamath County, Oregon, on instrument number M97, page 17638, and covering the following described real property situated in the above mentioned county and state, to wit:

A tract of land situated in Lot 16, Section 6, Township 35 South, Range 7 East of the Willamette Meridian, in the County of Klamath, State of Oregon, more particularly described as follows:

Beginning at an iron pin located on the East bank of Agency Lake, said point also being West a distance of 972.0 feet and North 0 degrees 14' East a distance of 80.0 feet from the Southeast corner of Lot 16; thence East 315.0 feet; thence South 0 degrees 14' West, 80.0 feet; thence West 288.0 feet along the South line of said Lot 16 to the East bank of Agency Lake; thence Northerly to the point of beginning.

EXCEPTING THEREFROM that portion lying within the boundaries of Modoc Point Highway - State 427.

CODE 118 MAP 3507-6CA TL 3800.

Commonly known as 37310 Modoc Point Road, Chiloquin, Oregon 97624.

The undersigned hereby certifies that no assignments of this trust deed by the trustee or by the beneficiary and no appointments of a successor 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: \$59,140.00 as of June 9, 2002.

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

Principal:

\$59,140.00

Title Search Fees:

\$335.00

Recording Fees:

\$35.00

Attorney Fees:

\$1000.00

Page 1 of 2 Notice of Default

Fale. >

Notice hereby is 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 o'clock, A.M, in accord with the standard of time established by ORS 187.110 on March 14, 2005, at the following place: front steps of the Klamath County Circuit Court in the City of Klamath Falls, County of Klamath, State of Oregon, which is the hour, date and place last set for the 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

| Vernon Ludwig and Ofelia A. Ludwig | | Deed of Trust |
|------------------------------------|---------------------|---------------|
| 945 Bowman Drive | 4749 Hillcrest Road | |
| Reno, Nevada 89503 | Medford, OR 97504 | |
| Kelley J. Fritz | | Judgment |
| Klamath County District Attorney | | |
| 3300 Vandenberg Road | | |
| Klamath Falls, OR 97603 | | |
| State of Oregon | | Judgment |
| Department of Justice | | |
| Child Support Program | | |
| PO BOX 14506 | | |
| Salem, OR 97309 | | |

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 attorney fees not exceeding the amounts provided by ORS 86.753.

In construing 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 the trust deed, and the words "trustee" and "beneficiary" include their respective successors in interest, if any

DATED / C / C / Trustee

STATE OF OREGON) ss.

County of Clackamas)

SUBSCRIBED AND SWORN TO before me this / day of October, 2004.

OFFICIAL SEAL
GRETCHEN L LA VELLE
NOTARY PUBLIC-OREGON
COMMISSION NO. 367757
MY COMMISSION EXPIRES APR. 20, 2007

Notary Public for Oregon

My Commission Expires:

My Commission Expires: 4

Page 2 of 2 No