

State of Oregon, County of Klamath
 Recorded 03/18/2005 3:32 p m
 Vol M05 Pg 18036-38
 Linda Smith, County Clerk
 Fee \$ 3100 # of Pgs 3

TRUSTEE'S NOTICE OF DEFAULT

AND ELECTION TO SELL

Doreen Sue Stone, as grantor, made, executed and delivered to AmeriTitle, as trustee, to secure the performance of certain obligations including the payment of the principal sum of \$20,000.00, in favor of Vernon Ludwig and Ofelia Ludwig, or the survivor, as beneficiary, that certain trust deed dated September 28, 1998, and recorded September 30, 1998, in the official records of Klamath County, Oregon, in Volume M98, Page 36039, covering the following described real property situated in said county:

The N ½ of Lot 18 in Block 6 of ALTAMONT ACRES, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

There is a default by the grantor owing the obligations in that the grantor has failed to pay, when due, the following sums thereon:

Monthly installments of \$200.00 per month, beginning with the installment due October 25, 2004, which were due on the 25th day of each month thereafter.

which are now past due, owing and delinquent. Grantor's failure just described is the default for which the foreclosure mentioned below is made, in addition to Grantor's failure to pay real property taxes for fiscal years 2001-02 through 2004-05.

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

\$20,000.00, together with interest thereon at the rate of 12% per annum from September 25, until paid, plus trustee's fees, a late fee of \$10 for any payment not received within 15 days of its due date, attorney's fees, foreclosure costs and any sums advanced by the beneficiary pursuant to the terms of said trust deed.

Notice hereby is given that the undersigned, by reason of said default, has elected and hereby does elect to foreclose said trust deed by advertisement and sale pursuant to Oregon Revised Statutes Section 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 a reasonable charge by the trustee as provided by law, and the reasonable fees of trustee's attorneys.

Trustee's Notice of Default and
 Election to Sell -1-

LAW OFFICES OF
 DAVIS, HEARN, SALADOFF & SMITH
 A Professional Corporation
 515 EAST MAIN STREET
 ASHLAND, OREGON 97520
 (541) 482-3111 FAX (541) 488-4455

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Said sale will be held at the hour of 10:30 o'clock, a.m., Pacific Daylight Time, as established by Section 187.110 of Oregon Revised Statutes, on August 16, 2005, at the following place: AmeriTitle, 300 Klamath Falls, OR 97601.

Other than as shown of record, the trustee has no 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

Doreen Sue Stone
3040 Crest Street
Klamath Falls OR 97603

Fee simple, grantor

Ford Motor Credit Co.
1 American Road
Legal Office-MD 7440
Dearborn MI 48126

Judgment Creditor

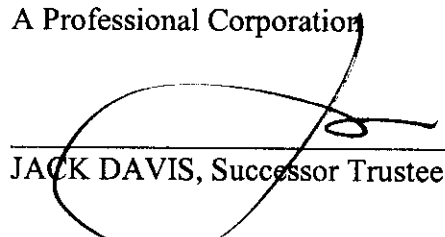
State of Oregon
Employment Department
875 Union Street NE
Salem OR 97311-0040

Tax Warrant No. B20159

Notice is further given that any person named in Section 86.760 of Oregon Revised Statutes has the right to have the foreclosure proceeding dismissed and the trust deed reinstated by payment of the entire amount due (other than such portion of said principal as would not then be due had no default occurred), together with costs, trustee's and attorney's fees, at any time prior to five days before the date set for said sale.

DATED this 16th day of March, 2005.

DAVIS, HEARN, SALADOFF & SMITH
A Professional Corporation



JACK DAVIS, Successor Trustee

STATE OF OREGON)
) §
COUNTY OF JACKSON)

Personally appeared the above-named JACK DAVIS and acknowledged the foregoing instrument to be his voluntary act and deed. Before me:

Joan Christopher
Notary Public for Oregon
My Commission Expires: 9/17/06

