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Vol M05 Page 50944

Aspen 61497

**TRUSTEE'S NOTICE OF DEFAULT
AND ELECTION TO SELL**

State of Oregon, County of Klamath
Recorded 07/05/05 3:17 p m
Vol M05 Pg 50944-46
Linda Smith, County Clerk
Fee \$ 31.00 # of Pgs 3

Aaron Powless, as grantor, made, executed and delivered to Aspen Title & Escrow, Inc., as trustee, to secure the performance of certain obligations including the payment of the principal sum of \$20,000.00, in favor of Vernon G. Ludwig, as beneficiary, that certain trust deed dated April 22, 1999, and recorded April 30, 1999, in the official records of Klamath County, Oregon, in Book M-99, Page 16544, covering the following described real property situated in said county:

Lot 2, Block 3, SUNNYLAND ADDITION IN THE CITY OF KLAMATH FALLS,
according to the official plat thereof on file in the office of the 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 \$205.72 per month, beginning with the installment due June 1, 2005, which were due on the 1st 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 2003-04 and 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:

\$11,488.99, together with interest thereon at the rate of 12% per annum from May 19, 2005, until paid, plus a late fee of 5% of any payment not received within 15 days of its due date, plus trustee's fees, 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

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

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

354

reasonable charge by the trustee as provided by law, and the reasonable fees of trustee's attorneys.

Said sale will be held at the hour of 9:30 o'clock, a.m., Pacific Standard Time, as established by Section 187.110 of Oregon Revised Statutes, on November 29, 2005, at the following place: The offices of Aspen Title & Escrow, Inc., 525 Main Street, 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

Aaron Powless
4738 Sturdivant Street
Klamath Falls OR 97603

Grantor, Fee Simple

or
223 N. Spring Street
Klamath Falls OR 97601

or
P O Box 5143
Klamath Falls OR 97601

Klamath County Tax Collector
316 Main Street
Klamath Falls OR 97601

Tax Warrant No. 20000825
Account No. P879226
Account R444683

ABC Supply Company, Inc.
10801 A Street South
Tacoma WA 98444

Judgment Lien Holder

Oregon Contractors Workers
Compensation Trust, Inc.
c/o Jeffery H. Capener
Wallace, Klor & Mann PC
5800 Meadows Road #220
Lake Oswego OR 97035

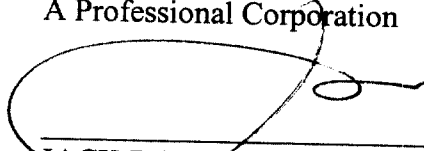
Judgment Creditor

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 30th day of June 2005.

DAVIS, HEARN, SALADOFF & SMITH
A Professional Corporation

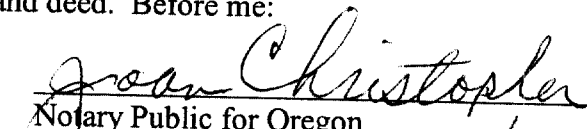


JACK DAVIS, Successor Trustee

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:



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

