

**NOTICE OF DEFAULT
AND ELECTION TO SELL**

RE: Trust Deed from
Joseph W. Payne et al.

Grantor

to

Paul S. Cosgrove, Esq.

Successor Trustee

AFTER RECORDING RETURN TO

M. Luoto
Lindsay, Hart, Neil & Weigler, LLP
Suite 3400, 1300 S.W. Fifth Avenue
Portland, OR 97201-5640

PAUL S. COSGROVE, Esq., SUCCESSOR TRUSTEE, HEREBY GIVES NOTICE OF DEFAULT AND ELECTION TO SELL:

Reference is made to that certain trust deed made by Joseph W. Payne and Teddi A. Payne, as grantor, to AmeriTitle as trustee, in favor of Landmark Mortgage Company, as beneficiary, dated September 11, 2002, recorded September 12, 2002, in the mortgage records of Klamath County, Oregon, as Volume M02, page 52010, the beneficial interest was thereafter assigned to Manchester Enterprises by Assignment recorded September 16, 2002, as Volume M02, page 52631, Klamath County, Oregon, covering the following described real property situated in the above-mentioned county and state, to-wit:

Lot 2, Block 21, ORIGINAL TOWN OF MERRILL, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.
Tax Account No. 4110-002DD-03200-000 Key No. 121362.

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 mortgage records of the county or counties in which the above-described real property is situated, further, that 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 the grantor or other person owing an obligation, the 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:

Monthly payments for November 1, 2004, through September 1, 2005, for a total of \$1,697.52, late charges in the amount of \$84.92, advances of \$1,367.69, plus real property taxes now due for 2004-05.

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:

As of June 1, 2004, the principal sum of \$13,932.50 plus interest thereafter; plus any sums advanced by the beneficiary or beneficiary's successor in interest for the protection of the above described property, plus attorney and trustee's fees incurred by reason of said default.

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 the grantor had, or had the power to convey, at the time of the execution by grantor of the trust deed, together with any interest the 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 11:00 a.m., in accord with the standard of time established by ORS 187.110 on February 9, 2006, at the following place: front door to Klamath County Courthouse, 316 Main Street, 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 the grantor or of any lessee or other person in possession of or occupying the property, except:

| <u>NAME AND LAST KNOWN ADDRESS</u> | <u>NATURE OF RIGHT, LIEN OR INTEREST</u> |
|------------------------------------|--|
| None. | |

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's 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. The Federal Fair Debt Collection Practices Act requires we state: This is an attempt to collect a debt and any information obtained will be used for that purpose.

Dated September 23, 2005.


Paul S. Cosgrove, Esq., Trustee

STATE OF OREGON, County of Multnomah) ss.

This instrument was acknowledged before me on September 26, 2005,
By Paul S. Cosgrove, Esq.


Notary Public for Oregon

My commission expires

9-21-07

