

NOTICE OF DEFAULT AND ELECTION TO SELL

Reference is made to that certain Trust Deed made by RODNEY D. MILLER and KELLY A. MILLER, as grantor, and ASPEN TITLE & ESCROW INC., as trustee, in favor of ORAL L. BELL and HELEN BELL, Trustees of the Bells Master Collaborative Trust, as beneficiaries, dated October 3, 1997, and recorded October 6, 1997, in Book M-97, Page 32899, Fee No. 46509, Mortgage Records of Klamath County, Oregon, covering the following described real property situated in Klamath County, Oregon, to-wit:

The North 37 feet of Lot 2, Block 2, WILLIAMS ADDITION TO THE CITY OF KLAMATH FALLS, in the County of Klamath, State of Oregon, TOGETHER WITH the vacated alley lying adjacent on the East.

Code 1 Map 3809-28CD TL 12800

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 said trust deed, or, if such action has been instituted, such action has been dismissed.

There is a default by the grantor or other person owing an obligation, the performance of which is secured by said trust deed, or by their 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 due January 6, 1998, through October 6, 1998, in the amount of \$195.58 each, plus each monthly payment accruing after October 6, 1998, through the date of sale,

Late charges in the amount of \$97.80 plus \$9.78 for each late payment accruing after October 6, 1998, through the date of sale.

Delinquent real property taxes in the amount of \$407.70 plus interest, as provided by law,

and to provide fire insurance.

By reason of said default, the beneficiary has declared all sums owing on the obligation secured by said trust deed immediately

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due and payable, said sums being the following, to-wit:

- 1) Principal amount
\$19,558.00
- 2) Interest on principal amount at the rate
of 12% per annum from December 7,
1997, until paid
- 3) Plus \$195.00 for the cost of a trustee's
foreclosure guarantee
- 4) Late charges in the amount of \$97.80 plus \$9.78 for
each late payment accruing after October 6, 1998,
through the date of sale.

All other costs and expenses actually incurred in enforcing the obligation and the trust deed, together with the trustees and attorneys fees not exceeding the amount provided by Oregon Revised Statutes (ORS) 86.753 associated with this foreclosure and any sums expended by the beneficiary to protect the property, or its interests therein during the pendency of this proceeding

Notice hereby is given that the beneficiary and trustee, by reason of said default, have elected and do hereby elect to foreclose said trust deed by advertisement and sale pursuant to Oregon Revised Statutes Sections 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 the compensations of the trustee as provided by law, and the reasonable fees of trustee's attorneys.


Said sale will be held at the hour of 11:00 a.m., standard time, as established by Section 187.110 of Oregon Revised Statutes on March 19, 1999, at the following place: Law Offices of Brandsness, Brandsness and Rudd, 411 Pine Street, in the City of Klamath Falls, County of Klamath Falls, State of Oregon, which is the hour, date and place fixed by the trustee for said sale.

Other than as shown of record, neither the said beneficiary nor the said 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 interests 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 Jackie L. Hearn, who holds a second trust deed.

Notice is further given that any person named in ORS 86.753 has the right, at any time prior to five days before the trustee conducts the sale, to have this foreclosure proceeding dismissed and the trust deed reinstated by payment to the beneficiary of the entire amount due at the time of cure under the terms of the obligation (other than such portion 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 said 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 said ORS 86.753.

In construing this notice, the masculine gender includes the feminine and the neuter, 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 said trust deed, and the words "trustee" and "beneficiary" include their respective successors in interest, if any.

DATED: October 23, 1998

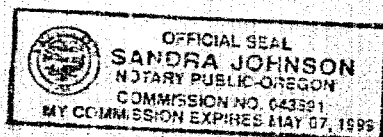

David B. Paradis, Attorney at
Law, Successor Trustee

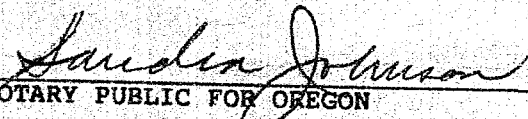
STATE OF OREGON)

County of Jackson)

) ss.

The foregoing instrument was acknowledged before me this October 23, 1998, by David B. Paradis.




NOTARY PUBLIC FOR OREGON

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STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Brophy, Mills et al the 28th day
of October A.D., 19 98 at 11:01 o'clock A. M., and duly recorded in Vol. M98
of Mortgages on Page 39415
Return: Brophy,
P.O. Box 128
Medford, Or. 97501
FEE \$20.00
By Bernetha G. Letsch, County Clerk
Kathleen Rosa