

State of Oregon, County of Klamath
 Recorded 11/10/04 11:07a m
 Vol M04 Pg 77430-32
 Linda Smith, County Clerk
 Fee \$ 3100 # of Pgs 3

mTC-6751p

NOTICE OF DEFAULT AND ELECTION TO SELL

Reference is made to that certain Deed of Trust made by BRUCE DEMELLO as Grantor, and AMERITITLE, as Trustee, in favor of ORAL L. BELL and HELEN BELL, TRUSTEES OF THE BELL'S MASTER COLLABORATIVE TRUST DATED MARCH 9, 1994, as Beneficiary, (previously erroneous referred to as THE BELL MASTER COLLABORATIVE TRUST DATED MARCH 9, 2000) dated October 25, 2002, recorded November 14, 2002, in Vol. M02, Page 66035, Official Records of Klamath County, Oregon, covering the following described real property situated in said county and state, to-wit:

Lots 23, 24 and 25, Block 91, Klamath Falls Forest Estates
 Highway 66 Unit, Plat No. 4, according to the official plat
 thereof on file in the office of the County Clerk of Klamath
 County, Oregon.

Code 114	Map 3711-22AO	TL	2800
Code 36	Map 3711-22AO	TL	2900 & 3000

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:

Failure to pay the July, August, September and October 2004
 payments in the amount of \$608.96 each, together with three
 late charges of \$28.20 each.

3/00 am

By reason of said default the Beneficiary has declared all sums owing on the obligation secured by said Trust Deed immediately due and payable, said sums being the following, to-wit:

- 1) Principal amount \$46,908.68;
- 2) Interest on the principal amount at the rate of 12% per annum, from July 8, 2004, until paid;
- 3) Three late charges of \$28.20 for July, August and September, 2004, and \$28.20 thereafter for each month a payment is late;
- 4) The cost of Trustee's foreclosure report; and,
- 5) All other costs and expenses actually incurred in enforcing the obligation and 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 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 2:00 p.m., as established by Section 187.110 of Oregon Revised Statutes on April 9, 2005, at the following place: The front steps of the Klamath County Courthouse, 316 Main Street, Klamath Falls, Oregon 97601, 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 have 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: None

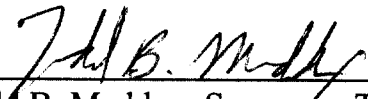
Notice is further given that any person named in ORS 86.753 has the right, at any time prior to five days before the Trustee conducts the sale, to have this foreclosure proceeding dismissed and the Trust Deed reinstated by payment to the Beneficiary of the entire amount

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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.

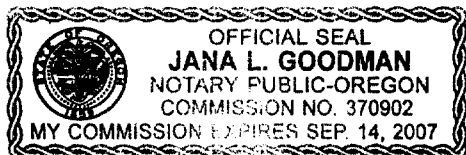
In construing this notice, the masculine gender includes the feminine and the neuter, the singular includes the plural, the word "Grantor" includes any successor-in-interest to the Grantor as well as any other person owing an obligation, the performance of which is secured by said Trust Deed, and the words "Trustee" and "Beneficiary" include their respective successors in interest, if any.

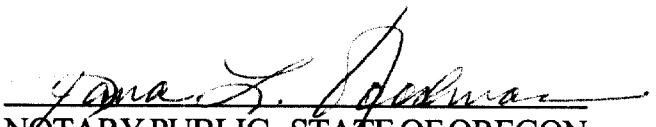
DATED: November 5, 2004.


Todd B. Maddox, Successor Trustee

STATE OF OREGON)
 : ss.
County of Jackson)

The foregoing instrument was acknowledged before me this 5th day of November, 2004, by Todd B. Maddox.




NOTARY PUBLIC - STATE OF OREGON
My Commission expires: Sept. 14, 2007.

AFTER RECORDING RETURN TO:

Mr. Lee A. Mills
BROPHY, MILLS, SCHMOR,
GERKING & BROPHY, LLP
P.O. Box 128
Medford, OR 97501