

5t 1837022
2012-002274

Klamath County, Oregon



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03/02/2012 01:46:33 PM

Fee: \$47.00

After recording, return to:

ROBERT A. SMEJKAL
PO Box 1758
Eugene, OR 97440

Grantors:

BRIAN L. KELLEY
SANDRA M. KELLEY
PO Box 1911
LaPine, OR 97739

Trustee:

ROBERT A. SMEJKAL
PO Box 1758
Eugene, OR 97440

Original Beneficiaries:

JAMES D. MEXICO
GRACE MEXICO
c/o Advanced Investment Corp.
380 Q Street, Suite 240
Springfield, OR 97477

Beneficiary:

J & D OR PROPERTIES, LLC
PO Box 1209
Cottage Grove, OR 97424

NOTICE OF DEFAULT AND ELECTION TO SELL

Reference is made to that certain Trust Deed made by BRIAN L. KELLEY and SANDRA M. KELLEY as Grantors, to ROBERT A. SMEJKAL, Attorney at Law, as Trustee, in favor of as JAMES D. MEXICO and GRACE MEXICO, husband and wife or the survivor (the "Original Beneficiaries"), as Beneficiaries, dated October 8, 2003, recorded October 15, 2003, in the Records of Klamath County, Oregon, in Volume M03, Page 76907, the beneficial interest of which was assigned to JAMES D. MEXICO and MILDRED G. MEXICO, Trustees or their Successors in Trust under THE MEXICO FAMILY TRUST dated October 24, 1995 and any amendments thereto, by Assignment of Trust Deed by Beneficiary dated January 5, 2009, recorded January 13, 2009, in the Records of Klamath County, Oregon, as Recorder's No. 2009-000354, and further assigned to J & D OR PROPERTIES, LLC, an Oregon limited liability company (the "Beneficiary"), by Assignment of Trust Deed by Beneficiary dated December 15, 2010, recorded March 8, 2011, in the Records of Klamath County, Oregon, as Recorder's No. 2011-003308, covering certain real property situated in the above mentioned county and state, which is more particularly set forth as follows:

"Lot 4 in Block 3 of FIRST ADDITION TO ANTELOPE MEADOWS, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon"

The Trustee hereby certifies that no assignments of the Trust Deed by the Trustee or by the Beneficiary and no appointments of a Trustee have been made, except as recorded in the records of the county in which the above described real property is situated. Further, 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 Grantors or other person owing an obligation, 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 the Grantors' failure to pay the entire balance of the Promissory Note which became due in full on November 14, 2011.

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 principal amount of \$50,000.00, plus interest at the rate of 13% per annum from December 15, 2010, until paid; plus late fees, foreclosure costs and attorney fees, and amounts, if any, advanced by the Beneficiary pursuant to the terms of the Trust Deed and/or applicable law.

Notice is hereby 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 ORS 86.795, and to cause to be sold at public auction to the highest bidder for cash or certified funds, the interest in the described property which Grantors had, or had the power to convey, at the time of the execution by Grantors of the Trust Deed, together with any interest Grantors or Grantors' successor in interest acquired after the execution of the Trust Deed, to satisfy the obligations secured by the Trust Deed and the expenses of sale, including the compensation of the Trustee as provided by law, and the reasonable fees of Trustee's attorneys.

The sale will be held at the hour of 1:00 p.m. in accord with the standard time established by ORS 187.110 on July 31, 2012, inside the front entrance of the 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 Grantors or of any lessee or other person in possession of or occupying the property, except:

Name and Last Known Address

Name of Right, Lien or Interest

None.

Notice is further given that any person named in ORS 86.753 has the right, at any time prior to five (5) 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 fees not exceeding the amounts provided by ORS 86.753.

In construing this notice, the singular includes the plural, the word "Grantors" includes any successor in interest to the Grantors 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.

DATED this 28th day of February, 2012.

Robert A. Smeal

ROBERT A. SMEJKAL, Trustee

STATE OF OREGON, County of Lane) ss.

This instrument was acknowledged before me on February 28, 2012, by ROBERT A. SMEJKAL, Trustee.



Annette Kay Kayser

NOTARY PUBLIC FOR OREGON