

RELEASE OF ASSIGNMENT OF CONTRACT
AND SATISFACTION OF MORTGAGE

1. The Phoenix Partnership ("Phoenix") is the owner and holder of a Note secured by the following two security instruments, dated and recorded as specified:

a. Seller's Assignment of Contract for Security Purposes
(the "Assignment"):

Dated: April 11, 1990
Recorded: April 18, 1991, in Book No. M-90
Page: 7191
Fee No: 13693

b. Mortgage

Dated: April 11, 1990
Recorded: April 18, 1990, in Book No. M-90
Page: 7189
Fee No: 13692

2. Both documents are recorded in the Official Records of Klamath County, Oregon.

3. The Maker under the Note is Dan Reynolds.

4. For and in consideration of the sum of \$11,000.00. Phoenix hereby satisfies and cancels the Assignment and the Mortgage as liens against the real property, but does not cancel or satisfy the Note, which is not fully paid.

5. The sum received shall be applied as a credit against the Note, and shall be applied first to accrued interest to date of receipt by Phoenix and the balance to principal.

6. Maker agrees as follows:

a. The Note is not otherwise satisfied or paid in full.

b. The Note shall remain in full force and effect, and the Maker shall remain fully obligated to continue to make all payments due thereunder to Phoenix.

c. If Maker fails to make such payments, Phoenix may proceed to exercise its rights and remedies to collect from Maker such sums as may then be due and owing.

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