

Reference is made to that certain trust deed dated May 10, 1988 in which Patrick O'Hara Posey and Wanda C. Posey, husband and wife was grantor, Mountain Title Company was trustee and Commonwealth Mortgage Company of America, L.P. was beneficiary and recorded May 17, 1988, in Volume M88 at Page 7719, of the mortgage records of Klamath County, Oregon. The trust deed conveyed to the trustee the following real property situated in said county:

See attached legal description.

Commonly Known As: 642 Pacific Terrace
Klamath Falls, OR 97601

A notice of grantor's default under said trust deed, containing the beneficiary's or trustee's election to sell all or part of the above described real property to satisfy grantor's obligations secured by the trust deed was recorded July 22, 1996, in the mortgage records of Klamath County, in Volume M96 at Page 21912; thereafter by reason of the default being cured as permitted by the provisions of 86.753, ORS the default described in the notice of default has been removed, paid and overcome so that the trust deed should be reinstated.

NOW, THEREFORE, notice hereby is given that the undersigned trustee does hereby rescind, cancel and withdraw the notice of default and election to sell; the trust deed and all obligations secured thereby are reinstated and shall be and remain in force and effect the same as if no acceleration had occurred and as if the notice of default had not been given; it being understood, however, that this rescission shall not be construed as waiving or affecting any breach or default—past, present or future—under the trust deed or as impairing any right or remedy thereunder, or as modifying or altering in any respect any of the terms, covenants, conditions or obligations thereof, but is and shall be deemed to be only an election without prejudice, not to cause a sale to be made pursuant to the notice so recorded.


IN WITNESS WHEREOF, the undersigned trustee has executed this document; if the undersigned is a corporation, it has caused its name to be signed and seal affixed by an officer duly authorized thereto by order of its Board of Directors.

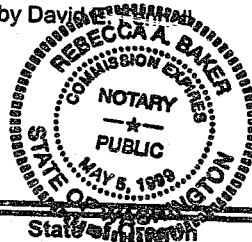
Dated: October 18, 1996


David E. Fennell Trustee

STATE OF WASHINGTON)
COUNTY OF KING)

This instrument was acknowledged before me on October 18, 1996, by David E. Fennell


Notary Public for Washington
Residing at *Albino*
My Commission expires: 5-5-99



Rescission of Notice of Default

RE: Trust Deed from

Grantor

to
David E. Fennell

Trustee

After Recording Return to
Routh Crabtree & Fennell
1750 112th Ave NE Ste A-203
Bellevue WA 98004

Attn: Becky Baker
RCF Number: 7055.20008/Mathews

EXHIBIT A

PARCEL 1:

The Northeasterly half of Lot 1, Block 39, HOT SPRINGS ADDITION to the City of Klamath Falls, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon, more particularly described as follows:

Beginning at the Northeasterly corner of Lot 1, Block 39, HOT SPRINGS Addition to the City of Klamath Falls; thence in a Southwesterly direction along the South line of Earle Street a distance of 75 feet; thence at right angles to the last mentioned course and in a Southeasterly direction a distance of 50 feet to the line between Lots 1 and 2 of said Block 39 aforesaid; thence along said line between Lots 1 and 2 in a Northeasterly direction 75 feet to the Southeasterly corner of said Lot 1 of said Block 39 aforesaid; thence in a Northwesterly direction along the Westerly line of Pacific Terrace 50 feet to the point of beginning.

PARCEL 2:

All that portion of Lot 2, Block 39, HOT SPRINGS ADDITION to the City of Klamath Falls, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon, described as follows:

Beginning at the most Northerly corner of said Lot 2, running thence in a Southwesterly direction along the line between Lots 1 and 2 of said Block 75 feet; thence in a Southeasterly direction parallel with the Northeasterly line of said Lot, 33 feet 4 inches; thence in a Northeasterly direction parallel with the Northwesterly line of said Lot, 75 feet to the Southerly line of Pacific Terrace; thence Northwesterly 33 feet 4 inches to the place of beginning.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Klamath County Title the 21st day
of October A.D., 1996 at 10:58 o'clock A.M., and duly recorded in Vol. M96
of Mortgages on Page 33133.

FEE \$15.00

Bernetha G. Letsch County Clerk

By Kathleen Ross