

97 JAN -7 P1:13

RESCISSION OF NOTICE OF DEFAULT

Reference is made to that certain trust deed in which Lyle W. Shaffer and Shirley Lee Shaffer was grantor, William L. Sisemore, was trustee and Klamath First Federal Savings and Loan Association, was beneficiary, said trust deed was recorded October 5, 1989, book/reel/volume no. M89 at page 18861, of the mortgage records of Klamath County, Oregon.

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 subject real property to satisfy grantor's obligations secured by said trust deed was recorded on August 30, 1996, in said mortgage records, in book/reel/volume no. M96 at page 27157; thereafter by reason of the default being cured as permitted by the provisions of Section 86.753, Oregon Revised Statutes, the default described in said notice of default has been removed, paid and overcome so that said trust deed should be reinstated.

NOW, THEREFORE, notice hereby is given that the undersigned trustee does hereby rescind, cancel and withdraw said notice of default and election to sell; said trust deed and all obligations secured thereby hereby are reinstated and shall be and remain in force and effect the same as if no acceleration had occurred and as if said notice of default had not been given; it being understood, however, that this rescission shall not be construed as waiving or affecting any breach of default-past, present or future-under said 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 said notice so recorded.

IN WITNESS WHEREOF, the undersigned trustee has executed this document.

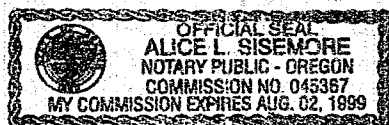
Dated: January 2, 1997.

William L. Sisemore
William L. Sisemore, Trustee

STATE OF OREGON)
) SS
County of Klamath)

This instrument was acknowledged before me on January 2, 1997, by William L. Sisemore.

Alice L. Deemer
Notary Public for Oregon
My Commission Expires: 08/02/99



After recording, return to:
Klamath First Federal S & L
P.O. Box 5270
Klamath Falls, OR 97601

STATE OF OREGON)
County of) SS
I certify that the within instrument was
received for record on January
1997, at 1:13 P.M., and recorded in
in book/reel/volume no. M97 on
page 436 or as fee/file/
instrument/microfilm/reception no. 30949,
Record of Mortgages of said County
Witness my hand and seal of County Affixed.

Bernetha G. Letsch, Co. Clerk	
Name	Title

BY Kathleen Rose Deputy

Fee: \$10.00