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RESCISSION OF NOTICE OF DEFAULT

Reference is made to that certain trust deed in which MOSES D. DAVIS & PAULINE F. DAVIS and ROBERT LEE DAVIS, not as tenants in common but with the right of survivorship, was grantor, William L. Sisemore, was trustee and Klamath First Federal Savings and Loan Association, was beneficiary, said trust deed was recorded January 12, 1990, book/reel/volume no. M90 at page 909, 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 December 5, 1996, in said mortgage records, in book/reel/volume no. M95 at page 38011; 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; 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.

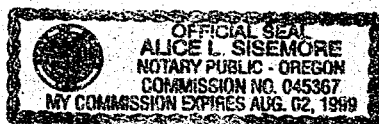
Dated: January 27, 1997.

William L. Sisemore
William L. Sisemore, Trustee

STATE OF OREGON)
) SS
County of Klamath)

This instrument was acknowledged before me on January 27, 1997, by William L. Sisemore.

Alice L. Sisemore
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 28th 19 97 at 10:16 A.M., and recorded in in book/reel/volume no. M97 on page 2438 or as fee/file/instrument/microfilm/reception no. 31904.
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

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