

After recording return to:

BISHOP & LYNCH, P.S.
720 Olive Way, #1600
Seattle, WA 98101-1800
Attn: Lauri J. Langton

K-50282

Klem, Karl O.
File No.: 377-6160

RESCISSION OF NOTICE OF DEFAULT

Reference is made to that certain trust deed in which Karl O. Klem and Shelli L. Klem, husband and wife was grantor, Mountain Title Company of Klamath County was trustee and Award Mortgage, Inc., an Oregon Corporation was beneficiary, said trust deed was recorded June 4, 1993 in Volume M93, Page 12953, of the mortgage records of Klamath County, Oregon, and conveyed to the said trustee the following real property situated in said county:

A portion of Lots 1 and 2, Block 5 of Third Addition to Altamont Acres, 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 a point which is 99.85 feet West from the Northeast corner of Lot 1, in Block 5 of Third Addition to Altamont Acres in Klamath County, Oregon, as platted and recorded; thence running south 238.9 feet to the North line of Lot 3 in said Block 5; thence at right angles West along the said North line of Lot 3, a distance of 99.85 feet; thence at right angles North a distance of 238.9 feet to the North line of said Lot 1, in Block 5; thence at right angles East along said North line of said Lot 1, a distance of 99.85 feet to the point of beginning, being an equal one-third part of Lots 1 and 2, Block 5 of Third Addition to Altamont Acres.

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 said trust deed was recorded on the February 19, 1997, in said mortgage records, in book/reel/volume No. Volume M97, page 4868; 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 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 or 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.

9213

OR-RESND/Klam

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: March 27/1997.

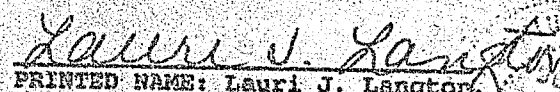

Krista L. White, Trustee

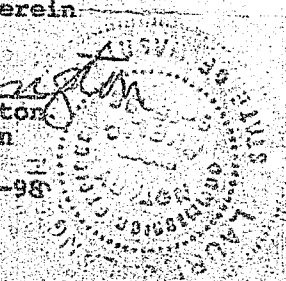
STATE OF WASHINGTON)

ss.

COUNTY OF KING)

On this 27 day of March, 1997, personally appeared KRISTA L. WHITE, who acknowledged that she signed the within foregoing instrument as her free and voluntary act and deed for the uses and purposes therein mentioned.


PRINTED NAME: Lauri J. Langton
Notary Public for Washington
Residing at Seattle, WA
My commission expires: 9-15-98



STATE OF OREGON : COUNTY OF KLAMATH: ss.

Filed for record at request of Klamath County Title the 31st day
of March A.D. 19 97 at 11:10 o'clock A. M., and duly recorded in Vol. M97
of Mortgages on Page 9212

FEE

\$15.00

by Bernetha G. Letsch, County Clerk
