

## RESCISSION OF NOTICE OF DEFAULT

Reference is made to that certain trust deed in which MARCIANO LACBAIN and ZORAIDA LACBAIN, husband and wife, as to an undivided 1/2 interest; BENJAMIN CAPILI and PEREGRINA CAPILI, Husband and Wife, as to an undivided 1/2 interest, as tenants in common, are the grantors, and MOUNTAIN TITLE COMPANY is the trustee, and SHAMROCK DEVELOPMENT COMPANY, an Oregon Corporation, is the beneficiary under that certain trust deed dated August 23, 1989, and recorded October 9, 1989, in Volume No. M89 page 19061, Mortgage Records of Klamath County, Oregon, and conveyed to the said trustee the following real property situated in said county:

Lot 3 in Block 7 of TRACT 1083, CEDAR TRAILS, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.  
Tax Account No. 4008 020A0 02500.

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 May 7, 1997, in said mortgage records, in Volume No. M97 at page 13938 et seq; 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 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.

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: Sept. 24, 1997

STATE OF OREGON

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] ss.

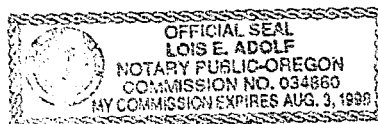
County of Klamath

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The foregoing instrument was acknowledged before me this 24 day of Sept., 1997, by Richard Fairclo.

Lois E. Adolf  
Notary Public for Oregon  
My Commission expires:

After recording return to:  
Richard Fairclo  
Attorney at Law  
280 Main Street  
Klamath Falls OR 97601



STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Richard Fairclo the 25th day of Sept. A.D., 19 97 at 1:29 o'clock P. M., and duly recorded in Vol. M97 of Mortgages on Page 31354.

FEE \$10.00

By Bernetha G. Letsch, County Clerk  
Kathleen Rosa