

RESCISSION OF NOTICE OF DEFAULT

Reference is made to that certain trust deed in which Piedmont Properties, Inc., an Oregon corporation was grantor, Continental Lawyers Title Company was trustee and Universal Fund was beneficiary, said trust deed was recorded April 3, 1995, in Volume M95 page 10251, Mortgage Records of Klamath County, Oregon, and conveyed to the said trustee the following real property situated in said county:

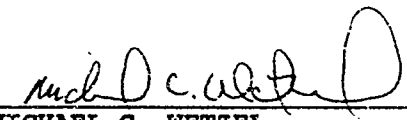
See Exhibit "A" attached.

A notice of grantor's default under said trust deed, containing the beneficiary'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 November 20, 1995 in said records, in Volume M95, page 31647; thereafter by reason of an agreement of the parties, 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, to not cause a sale to be made pursuant to said notice so recorded.

IN WITNESS WHEREOF, the undersigned successor trustee has hereunto set his hand and seal.

DATED: October 22, 1997


MICHAEL C. WETZEL,
Attorney at Law,
Successor Trustee

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DAVIS, GILSTRAP, HEARN & WELTY
A Professional Corporation
515 EAST MAIN STREET
ASHLAND, OREGON 97520
(541) 482-3111 FAX (541) 488-4455

15-5 cell.

STATE OF OREGON)
County of Jackson)

§

22 The foregoing instrument was acknowledged before me this
day of October, 1997, by Michael C. Wetzel.



Joan Christopher
Notary Public for Oregon
My Commission Expires: 9/17/98

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LAW OFFICES OF
DAVIS, GILSTRAP, HEARN & WELTY
A Professional Corporation
515 EAST MAIN STREET
ASHLAND, OREGON 97520
(541) 482-3111 FAX (541) 488-4455

DESCRIPTION OF PROPERTY

The following described real property situate in Klamath County, Oregon:

PARCEL 1: The N $\frac{1}{4}$ NW $\frac{1}{4}$; NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 13, Township 35 South, Range 9 East of the Willamette Meridian.

That portion of the NE $\frac{1}{4}$ of Section 14, Township 35 South, Range 9 East of the Willamette Meridian, lying Easterly of the thread of Sprague River; SAVING AND EXCEPTING thereof that portion which lies between Sprague River and the Chiloquin-Sprague River Highway and Northerly of a line described as beginning in the center of Chiloquin-Sprague River Highway at a point that is 118 $\frac{1}{2}$ feet Northwesterly of the centerline of a cattle guard; said cattle guard being near the East line of said Section 14, in said road; thence extending South 70° West to the center of Sprague River.

PARCEL 2: The North 489.5 feet of the SE $\frac{1}{4}$ NW $\frac{1}{4}$ and the North 489.5 feet of the S $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 13, Township 35 South, Range 9 East of the Willamette Meridian. TOGETHER WITH a strip of land 60 feet in width described as follows: Beginning at a point 489.5 feet South of the Northwest corner of the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 13, Township 35 South, Range 9 East of the Willamette Meridian, thence East 60 feet parallel to the North line of said SE $\frac{1}{4}$ NW $\frac{1}{4}$; thence South parallel with the West line of said SE $\frac{1}{4}$ NW $\frac{1}{4}$ to the Northerly boundary line of the Chiloquin-Sprague River Highway, thence Northwesterly along said Northerly boundary line of said Chiloquin-Sprague River Highway to the West line of said SE $\frac{1}{4}$ NW $\frac{1}{4}$; thence North to the point of beginning.

PARCEL 3: Township 35 South, Range 9 E.W.M.
Section 12: S $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$, E $\frac{1}{4}$ SW $\frac{1}{4}$, W $\frac{1}{4}$ SE $\frac{1}{4}$ and SW $\frac{1}{4}$ NE $\frac{1}{4}$

PARCEL 4: Township 35 South, Range 10 E.W.M.
Section 18: NE $\frac{1}{4}$, Lots 1, 2 and E $\frac{1}{4}$ NW $\frac{1}{4}$

EXHIBIT "A" PAGE _____

96324J / K-49912

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Davis, Gilstrap et al the 27th day
of October A.D., 19 97 at 11:37 o'clock A. M., and duly recorded in Vol. M97
of Mortgages on Page 35252

FEE \$20.00

By Bernetha G. Leisch, County Clerk
Kardian Ross