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98 MAY 13

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RESCISSION OF NOTICE OF DEFAULT

RE: Trust Deed from

Aaron Martsch

Valerie T. Auerbach

To

Grantor

121 S.W. Morrison, Suite 600
Portland, OR 97204

Successor Trustee

After recording, return to (Name, Address, Zip):

Valerie T. Auerbach (OLB)

Farleigh, Wada & Witt

121 S.W. Morrison, Suite 600

Portland, OR 97204

SPACE RESERVED
FOR
RECORDER'S USE

STATE OF OREGON,

County of _____ } ss.

I certify that the within instrument was received for record on the _____ day of _____, 19____, at _____ o'clock _____ M., and recorded in book/reel/volume No. _____ on page _____ and/or as fee/file/instrument/microfilm/reception No. _____, Records of said County.

Witness my hand and seal of County affixed.

NAME

TITLE

By _____, Deputy.

Reference is made to that certain trust deed in which Aaron Martsch was grantor, Aspen Title and Escrow

Mariorie Monroe

recorded on September 27, 1996, in book/reel/volume No. M96 was trustee and recorded on September 27, 1996, in book/reel/volume No. M96 at page 30684 was beneficiary. The trust deed was fee/file/instrument/microfilm/reception No. _____ (indicate which), Records of Klamath and/or as Oregon, and conveyed to the trustee the following real property situated in that county: _____ County,

*The beneficial interest under said Deed of Trust was assigned to Western United Life Assurance Company by assignment recorded September 27, 1996, in Volume M96, Page 30686.

See Exhibit "A" attached hereto and incorporated by this reference.

A notice of grantor's default under the 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 the trust deed was recorded on April 27, 1998, in those Records, in book/reel/volume No. 57071 at page 13851 and/or as fee/file/instrument/microfilm/reception No. _____ (indicate which). Thereafter, by reason of the default being cured as permitted by ORS 86.753, the default described in the notice of default has been removed, paid and overcome so that the trust deed should be reinstated.

NOW, THEREFORE, notice is hereby given that the undersigned trustee does hereby rescind, cancel and withdraw the notice of default and election to sell. The trust deed and all obligations secured thereby are hereby reinstated and shall be and remain in force and effect the same as if no acceleration had occurred and as if the notice of default had not been given. It is understood, however, that this rescission shall not be construed as waiving or affecting any breach or default - past, present or future - under the 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. It is and shall be deemed to be only an election without prejudice, not to cause a sale to be made pursuant to the 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, if any, affixed by an officer or other person duly authorized to do so by order of its board of directors.

Dated May 11, 1998.

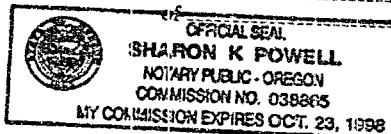
HAROLD B. SCOGGINS, III, attorney for
Valerie T. Auerbach, Successor Trustee

STATE OF OREGON, County of Multnomah) ss.

This instrument was acknowledged before me on _____, 19____,

by Harold B. Scoggins, III May 11, 1998,

as attorney for Valerie T. Auerbach, Successor Trustee



Sharon K. Powell
Notary Public for Oregon

My commission expires 10-23-98

EXHIBIT 'B'
LEGAL DESCRIPTION

A portion of the Northeast quarter of Southeast quarter (NE 1/4 of SE 1/4) of Section 13, Township 39 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon, described as follows:

Beginning at the Southeast corner of Lot 67 of Block 40, Plat of West Klamath (but in part thereof which has been vacated), as recorded in the office of the County Clerk of said County (which point is South 30 degrees 16' 45" West 998.34 feet from the Northeast corner of said NE 1/4 of the SE 1/4); thence South 24 degrees 29' East, along the Easterly line of said Lot 67 extended Southeasterly, 59.99 feet to the Southerly line of said Lot 73; thence South 25 degrees 01' 13" West 11.63 feet; thence South 62 degrees 46' 36" West 300.97 feet; thence North 14 degrees 53' 47" West 22.25 feet; thence South 65 degrees 31' West 30.40 feet; thence North 16 degrees 24' West 60.6 feet; thence North 65 degrees 31' East 60.6 feet, more or less, to the Northwest corner of said Lot 73; thence North 65 degrees 31' East along the North line of said Lot 73, 267.04, more or less, to the point of beginning.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Ameri title the 13th day
of May A.D., 19 98 at 3:44 o'clock P. M., and duly recorded in Vol. M98,
of Mortgages on Page 16379.

FEE \$15.00

By Kathleen Ross Bernetha G. Letsch, County Clerk