

RESCISSION OF NOTICE OF DEFAULT

Reference is made to that certain trust deed in which DANNY R. CLOSSER, SR., and DEBORAH F. CLOSSER were grantors, KLAMATH COUNTY TITLE COMPANY was trustee and NORMAN DAVID NEWLAND and KATHY ANN NEWLAND, husband and wife, were beneficiaries, said trust deed was recorded September 27, 1996, in Volume No. M96 at page 30768 of the mortgage records of Klamath County, Oregon, and conveyed to the said trustee the following real property situated in said county:

See Attached Exhibit "A"

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 November 10, 1998, in said mortgage records, in Volume No. M98 at page 41126; 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: 12/18, 1998

STATE OF OREGON

] ss.

County of Klamath

The foregoing instrument was acknowledged before me this 18th day of December, 1998, by RICHARD FAIRCLO, Successor Trustee.

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

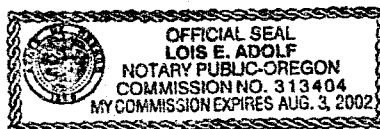


EXHIBIT "A"

DESCRIPTION OF PROPERTY

PARCEL ONE:

A parcel of land situated in the W $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 36, Township 39 South, Range 12 E.W. M., Klamath County, Oregon, being more particularly described as follows: Beginning at the Southwest corner of the NW $\frac{1}{4}$ of said Section 36; thence S. 89°53'07" E. along the South line of said NW $\frac{1}{4}$ 1328.28 feet to the Southeast corner of the W $\frac{1}{2}$ NW $\frac{1}{4}$ of said Section 36; thence N. 00°00'33" E. along the East line of said W $\frac{1}{2}$ NW $\frac{1}{4}$ 608.31 feet to a point where a fence line intersects from the Northwest; thence Northwesterly along said fence line the following bearings and distances: N. 84°33'04" W. 151.14 feet; N. 32°10'32" W. 466.48 feet; S. 86°44'52" W. 101.88 feet; N. 60°24'37" W. 187.47 feet; N. 51°33'56" W. 58.38 feet; N. 88°40'36" W. 291.86 feet; S. 89°38'32" W. 326.26 feet to a point on the West line of said Section 36; thence S. 00°03'00" W. along said section line 1142.62 feet to the Point of Beginning.

ALSO, A parcel of land situated in the NW $\frac{1}{4}$ of Section 36, T. 39 S., R. 12 E.W.M., Klamath County, Oregon, being more particularly described as follows: Beginning at a point on the East line of the W $\frac{1}{2}$ NW $\frac{1}{4}$ of said Section 36 at a point where said East line intersects the Southerly right of way line of the U.S.B.R. North Canal; thence S. 00°00'33" W. 328.44 feet along said East line to a point where a fence intersects from the Northwest; thence leaving said East line and running Northwesterly along said fence the following bearings and distances: N. 84°33'04" W. 151.14 feet; N. 32°10'32" W. 466.48 feet; S. 86°44'52" W. 101.88 feet; N. 60°24'37" W. 187.47 feet; N. 51°33'56" W. 58.38 feet; N. 88°40'36" W. 291.86 feet; thence leaving said fence N. 00°29'37" E. 134.22 feet to a 1/2 inch iron pin; thence S. 68°11'17" E. 50.23 feet to a 1/2 inch iron pin; thence N. 53°19'03" E. 218.51 feet to a 1/2 inch iron pin on the Southerly right of way line of the U.S.B.R. North Canal, said point being hereinafter referred to as "Point A"; thence Southeasterly along said canal right of way line to the point of beginning.

PARCEL TWO:

That portion of W $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 36, Township 39 South, Range 12 East of the Willamette Meridian, Klamath County, Oregon, described as follows:

Beginning at a point on the West line of Section 36, said point being S. 0°03' W. 1494.44 feet from the Northwest corner of Section 36; thence continuing S. 0°03' E. approximately 20 feet; thence East 326.26 feet; thence North 134.22 feet; thence Southeasterly 50.23 feet and Northeasterly 218.54 feet to a point on the Southwesterly right of way of USBR North Canal referred to as Point A in instrument recorded July 12, 1976, in Volume M76 page 10481, Deed records of Klamath County, Oregon; thence N. 42°35'53" W. 179.01 feet; thence N. 79°39'35" W. 190.08 feet more or less; thence S. 23°51'30" E. 151.61 feet; thence S. 0°06'40" W. 257.02 feet; thence N. 89°53'20" W. 301.94 feet to the point of beginning.

EXCEPTING FROM ABOVE MENTIONED PARCELS, that parcel conveyed to United States of America by Deed recorded July 8, 1924 in Deed Volume 64 on page 299, Deed Records of Klamath County, Oregon.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Richard Fairclo the 18th day of December A.D., 19 98 at 10:17 o'clock A. M., and duly recorded in Vol. M98 of Mortgages on Page 46280.

FEE \$15.00

By Bernetha G. Letsch, County Clerk
Kathleen Reed