

RESCISSION OF NOTICE OF DEFAULT

Reference is made to that certain trust deed in which DENNIS W. FANCHER and ARECELI C. FANCHER, husband and wife, are the grantors, MOUNTAIN TITLE COMPANY OF KLAMATH COUNTY is the trustee, and WILLIAM A. GUERRETTAZ is the beneficiary under that certain trust deed dated March 16, 1994, and recorded April 27, 1994, in Volume No. M94 page 12656, Mortgage Records of Klamath County, Oregon, and conveyed to the said trustee the following real property situated in said county:

Lot 14, Block 11, WEST CHILOQUIN, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

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 July 27, 1999, in said mortgage records, in Volume No. M99 at page 29865 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.

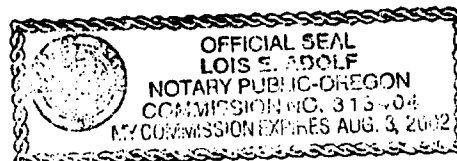
Dated: 2/18, 2000

STATE OF OREGON]
] ss.
County of Klamath]

The foregoing instrument was acknowledged before me this 18th day of February, 2000, 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



State of Oregon, County of Klamath
Recorded 2/18/00, at 3:21 p.m.
In Vol. M00 Page 5340
Linda Smith,
County Clerk Fee \$ 21.00