

After recording, return to:

Sabrina P. Loisel
Miller Nash LLP
111 S.W. Fifth Avenue, Suite 3500
Portland, Oregon 97204-3699

K55631

RESCISSION OF NOTICE OF DEFAULT AND ELECTION TO SELL

Reference is made to a certain deed of trust (the "Trust Deed") dated and made on August 10, 1995, by Bobby Joe Riley and Carol Elaine Riley, husband and wife (the "Grantor"), to William L. Sisemore (the "Trustee"), to secure payment and performance of certain obligations of the Grantor to Klamath First Federal Savings and Loan Association (the "Beneficiary") that was recorded on April 10, 1995, in Volume M95 at Page 21338 in the official real property records of Klamath County, Oregon.

The description of the real property covered by the Trust Deed is:

Lot 15 of SUMMERS LANE HOMES, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

A notice of default and election sell which contained the Beneficiary's and Successor Trustee's election to sell the above described real property to satisfy Grantor's obligations secured by the Trust Deed was recorded on July 17, 2000, in Volume M00 at Page 25886 in the real property records of Klamath County, Oregon. By reason of the default being cured as permitted by the provisions of 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 given that the undersigned successor trustee does hereby rescind, cancel, and withdraw the notice of default and election to sell. The Trust Deed and all obligations secured thereby are reinstated and shall be and remain in full force and effect as if no acceleration had occurred and as if the notice of default and election to sell had not been given; it being understood, however, that this rescission, shall not be construed as waiving or affecting any breach or default 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

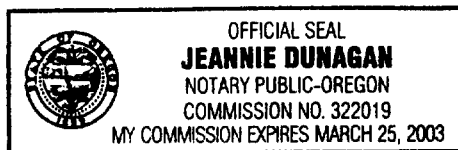
thereof, but is and shall be deemed to be only an election without prejudice, not to cause a sell to be made pursuant to the notice of default and election to sell so recorded.

DATED: August 28, 2000.

Sabrina P. Loiselle
 Sabrina P. Loiselle
 Successor Trustee

STATE OF OREGON)
) SS
 COUNTY OF MULTNOMAH)

SUBSCRIBED AND SWORN to before me this 28th day of August, 2000.



Jeannie Dunagan
 Notary Public for Oregon
 My commission expires: 03/25/03

State of Oregon, County of Klamath
 Recorded 08/30/00, at 2:34p m.
 In Vol. M00 Page 31853
Linda Smith,
 County Clerk Fee\$ 26⁰⁰