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RESCISSION OF NOTICE OF DEFAULT

Vol. M01 Page 26172

Reference is made to that certain trust deed dated 11/09/78 in which Edward W. Otterson was grantor, Transamerica Title Insurance Company was trustee and First National Bank of Oregon was beneficiary and recorded 11/13/78, as Book M-78, Page 25406, and re-recorded on 11/13/1978 as Book M-78, Page 25409 of the mortgage records of Klamath County, Oregon. The trust deed conveyed to the trustee the following real property situated in said county:

The Easterly 73 feet of Lot 1, Block 2, Fairview Addition to the City of Klamath Falls, in the County of Klamath, State of Oregon.

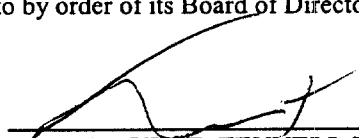
Commonly Known As: 1342 Worden Street Klamath Falls, OR 97601

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 the trust deed was recorded 01/10/01, in the mortgage records of Klamath County, as Volume M01, Page 1056; thereafter by reason of the default being cured as permitted by the provisions of 86.753, ORS 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 hereby is 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 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 being 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, but 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 affixed by an officer duly authorized thereto by order of its Board of Directors.

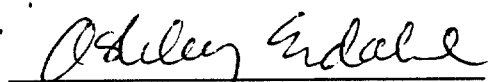
Dated: May 18, 2001

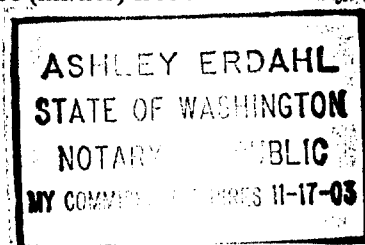

DAVID E. FENNELL, Trustee
Authorized Signature

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that David E. Fennell is the person who appeared before me, and said person acknowledged that (he/she) signed this instrument and acknowledged it to be (his/her) free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: 5/18/01


NOTARY PUBLIC in and for the State of
Washington, residing at King Co.
My commission expires 11/17/03



Rescission of Notice of Default	
RE: Trust Deed from Edward W. Otterson	Grantor
to DAVID E. FENNELL	Trustee

After Recording Return to
Northwest Trustee Services, LLC
PO Box 4143
Bellevue WA 98009-4143
Attn: Ashley Erdahl
NTS Number: 7022.21435

State of Oregon

State of Oregon, County of Klamath
Recorded 06/04/01, at 3:05 p. m.
In Vol. M01 Page 26172
Linda Smith,
County Clerk Fee\$ 21⁰⁰

21A