

RESCISSION OF NOTICE OF DEFAULT

K-58398

Reference is made to that certain trust deed dated 04/23/98 in which William C. Havlina and Sharon K. Havlina, husband and wife, as tenants by the entirety was grantor, First American Title Insurance Company of Oregon was trustee and Meritage Mortgage Corporation, an Oregon corporation was beneficiary and recorded 05/01/98, as Vol. M98, Page 14686 of the mortgage records of Klamath County, Oregon. The trust deed conveyed to the trustee the following real property situated in said county:

Lot 8 in Block 2 of Casa Manana, according to the Official Plat thereof on file in the Office of the County Clerk of Klamath County, Oregon.


Commonly Known As: 5709 Alva Avenue Klamath Falls, OR 97603

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 03/25/02, in the mortgage records of Klamath County, as Volume M02, Page 17216; 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.

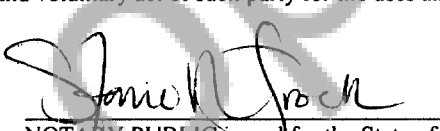
Dated: July 25, 2002


Northwest Trustee Services, LLC, Trustee
Authorized Signature

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that Jeff Stenman is the person who appeared before me, and said person acknowledged that (he/she) signed this instrument, on oath stated that (he/she) was authorized to execute the instrument and acknowledged it as an Associate Member of Northwest Trustee Services, LLC to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: July 29, 2002


NOTARY PUBLIC in and for the State of
Washington, residing at Seattle
My commission expires 06/28/06

Rescission of Notice of Default

Re: Trust Deed from	
William C. Havlina and Sharon K.	Grantor
Havlina, husband and wife, as tenants	
by the entirety	
To	
Northwest Trustee	Trustee
Services, LLC	

After Recording Return to
Northwest Trustee Services, LLC
P.O. Box 4143
Bellevue, WA 98009-4143
Attn: Shannon Blood
File Number: 7261.21306

State of Oregon

STEPHANIE N. FROCK

STATE OF WASHINGTON

NOTARY — — PUBLIC

MY COMMISSION EXPIRES 06-28-06

State of Oregon, County of Klamath

Recorded 08/05/2002 11:50 a.m.

Vol M02, Pg 44067

Linda Smith, County Clerk

Fee \$ 21.00 # of Pgs 1

#212