

AFTER RECORDING, RETURN TO:

William M. Ganong
Attorney at Law
514 Walnut Avenue
Klamath Falls OR 97601

Vol M03 Page 43338

State of Oregon, County of Klamath
Recorded 06/25/2003 9:14a m.
Vol M03 Pg 43338-9
Linda Smith, County Clerk
Fee \$ 26.00 # of Pgs 2

RECISSION OF NOTICE OF DEFAULT

'03 JUN 25 AM 9:14

Reference is made to that certain Trust Deed in which The Hwy 66 Property Trust, Trustee The Trust Management Group, is Grantor, William M. Ganong is Successor Trustee, and Norma Jean Linville Howard Hale is the beneficiary; said Trust Deed was recorded on July 17, 2000 in Volume M00 at Page 26053 of the Mortgage Records of the Clerk of Klamath County, Oregon, and conveyed to the said Trustee the following real property situated in said county:

See Exhibit "A" attached hereto and incorporated herein by this reference.

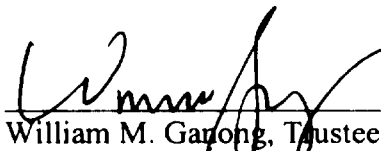
Klamath County Assessor's Account No. R-4007-001BO-00300

The beneficial interest in said Trust Deed was assigned to Richard A. Hale by Assignment of Trust Deed recorded on October 8, 2002 in Volume M02 at Page 57416 of the records of the Clerk of Klamath County, Oregon.

A notice of grantor's default under said Trust Deed, containing the Trustee's and beneficiary'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 February 7, 2003 in said Mortgage Records in Volume M03 at Page 07594-96; thereafter, by reason of certain payments on said obligations made 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.

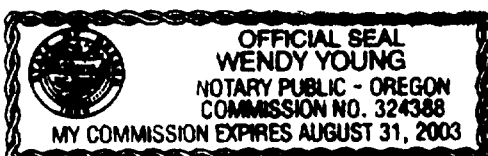
NOW, THEREFORE, notice hereby is given that the undersigned Trustee does hereby rescind, cancel, and withdraw said Notice of Default and Election to Sell; said Trust Deed and all obligations secured thereby hereby are reinstated and shall be and remain in force and effect the same as if no acceleration 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.

23rd IN WITNESS WHEREOF, the undersigned Trustee has hereunto set his hand and seal this day of June, 2003.


William M. Ganong, Trustee

STATE OF OREGON, County of Klamath) ss.

This instrument was acknowledged before me on June 23, 2003 by William M. Ganong as Trustee.



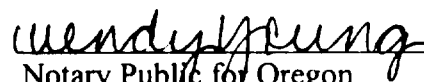

Notary Public for Oregon
My Commission Expires: 8-31-2003

Exhibit A

That portion of Government Lot 3 and the SE 1/4 of the NW 1/4 of Section 1, Township 40 South, Range 7 East of the Willamette Meridian, in the County of Klamath, State of Oregon, described as follows:

Beginning at a 1" iron pipe marking the Northeast corner of the Northwest corner of said Section 1, said point being the Northeast corner of that tract conveyed to Norma Jean Howard by Deed recorded in Book 74, Page 12620, Records of Klamath County, Oregon; thence North 89° 18' 19" West along the North line of said NW 1/4 110.00 feet to a 5/8" iron rod marking the Northeast corner of that tract conveyed to Elizabeth J. Bennett by Deed recorded in Book M-94, Page 5019, Records of Klamath County, Oregon; thence South 00° 07' 22" West along the East line of said Bennett Tract 1276.52 feet to a 5/8" iron rod at the Southeast corner thereof; thence North 89° 18' 19" West along the South line of said Bennett Tract 110.00 feet to the true point of beginning of the tract herein described; thence South 00° 07' 22" West 75.24 feet to a 5/8" iron rod; thence South 30° 11' 15" East 217.91 feet to a 5/8" iron rod on the Northwestern right of way line of State Highway 66; thence Southwesterly along the Northwestern right of way line of State Highway 66 to the Southwest corner of said Howard Tract; thence North along the West line of said Howard Tract to the Southwest corner of said Bennett Tract; thence South 89° 18' 19" East along the South line of said Bennett Tract 110.00 feet, more or less, to the true point of beginning.