

RESCISSION OF NOTICE OF DEFAULT

RESCISSION OF NOTICE OF DEFAULT RE: Trust Deed From
Western Homes, Inc., an Oregon Corporation, Grantor
Scott D. MacArthur, Successor Trustee

After recording return to:
Scott D. MacArthur
Scott D. MacArthur, P.C.
280 Main Street
Klamath Falls, OR 97601

Reference is made to that certain trust deed in which Western Homes, Inc., an Oregon Corporation was grantor, Mountain Title Company of Klamath County was trustee and Paul G. Adams and Barton K. Adams, as Tenants in Common is the beneficiary, said trust deed was recorded September 24, 1997, in volume No. M97 at page 31258, of the mortgage records of Klamath County, Oregon, and conveyed to the said trustee the following real property situated in said county:

See Exhibit "A" attached

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 August 12, 1999, in said mortgage records, in volume No. M99 at page 32553 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 or other person duly authorized

thereto by order of its Board of Directors.

33425

DATED: August 18, 1999.

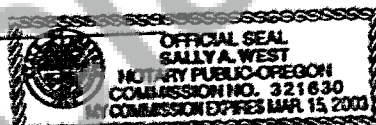
Scott D. MacArthur
Scott D. MacArthur, Successor Trustee

STATE OF OREGON, County of Klamath)ss.

This instrument was acknowledged before me
on August 18, 1999, by Scott D. MacArthur

This instrument was acknowledged before me on
August 18, 1999, by Scott D. MacArthur
as _____ of _____.

Sally A. West
Notary Public for Oregon
My commission expires Mar 15, 03



STATE OF OREGON, County of _____)ss.

I certify that the within instrument was received for record on the
_____ day of _____, 19____, at _____ o'clock ____M., and recorded
in book/reel/volume No. _____ on page _____ or as
fee/file/instrument/microfilm/reception No. _____, Record of Mortgages of
said County.

Witness my hand and seal of County affixed.

Name _____ Title _____
By _____, Deputy

EXHIBIT 'A' **LEGAL DESCRIPTION**

A tract of land situated in the S1/2 of Section 1, Township 39 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon, more particularly described as follows:

Beginning at the Southwest corner of that land described in Book M72 at Page 1623, as recorded in the Klamath County Deed Records, which is North 12 degrees 14' 37" West 536.95 feet from the South quarter corner of said Section 1; thence North 03 degrees 24' West, along the Westerly line of said land, 83.2 feet; thence North 23 degrees 39' 30" East along the Westerly line of that land described in Book M72 at Page 1625 of said Deed Records, 577.61 feet to the Southerly right of way line of State Highway No. 140; thence North 46 degrees 09' West along said right of way line, 370.18 feet, thence South 60 degrees 21' West 80.70 feet, South 11 degrees 21' West 365.5 feet, South 32 degrees 14' West 166.10 feet, South 01 degrees 13' West 217.08 feet; thence south 67 degrees 44' East 297.55 feet, more or less, to the point of beginning, with bearings based on recorded Survey No. 625, as recorded in the office of the Klamath County Surveyor.

SAVING AND EXCEPTING THEREFROM a tract of land situated in the S1/2 of Section 1, Township 39 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon, more particularly described as follows:

Beginning at the Southwest corner of that tract of land described in Book M72 at Page 1623 as recorded in the Klamath County Deed Records, which is North 12 degrees 14' 37" West, 536.95 feet from the South quarter corner of said Section 1; thence North 03 degrees 24' West, along the Westerly line of said land, 83.2 feet; thence North 23 degrees 39' 30" East, along the Westerly line of that tract of land described in Book M72 at Page 1625, said Deed Records, 577.61 feet to the Southerly right of way line of State Highway No. 140; thence North 46 degrees 09' West along said right of way line, 200.00 feet; thence South 43 degrees 51' West 50.00 feet; thence south 20 degrees 27' 53" West, 679.84 feet to a point that bears North 67 degrees 44' West from the point of beginning; thence South 67 degrees 44' East, 205.00 feet to the point of beginning, with bearings based on recorded Survey No. 625, as recorded in the office of the Klamath County Surveyor.

State of Oregon, County of Klamath
Recorded 8/18/99, at 3:33 p.m.
In Vol. M99 Page 33424
Linda Smith,
County Clerk Fee \$ 20 *AL*