

RESCISSION OF NOTICE OF DEFAULT

RESCISSION OF NOTICE OF DEFAULT RE: Trust Deed From Vol MQ1 Page 38032

DAMRON W. ALTO and MICHELLE D. McCLELLEN-ALTO, Grantor

Scott D. MacArthur, Successor Trustee

After recording return to:

of 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 Damron W. Alto and Michelle D. McClellen-Alto is grantor, Aspen Title and Escrow, Inc., was trustee and Leigh R. Grass and Doris Leigh Grass, Trustees or their successors in trust under Grass Loving Trust, dated April 13, 1995 is the beneficiary, said trust deed was recorded December 2, 1997, in volume No. M97 at page 39281, of the mortgage records of Klamath County, Oregon, and conveyed to the said trustee the following real property situated in said county:

Lot 9, Block 15 of EWAUNA HEIGHTS, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

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 May 17, 2001, in said mortgage records, in volume No. M01 at page 22766 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.

DATED: July 31, 2001.

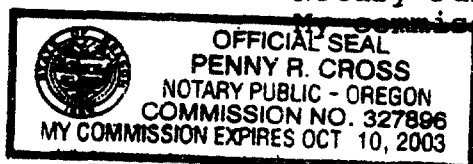
  
 Scott D. MacArthur, Successor Trustee

STATE OF OREGON, County of Klamath)ss.

This instrument was acknowledged before me  
 on July 31, 2001, by Scott D. MacArthur

This instrument was acknowledged before me on  
 \_\_\_\_\_, 2001, by \_\_\_\_\_  
 as \_\_\_\_\_ of \_\_\_\_\_.

  
 Notary Public for Oregon  
 My commission expires 10/10/2003



State of Oregon, County of Klamath  
 Recorded 07/31/01 at 10:38 m.  
 In Vol. M01 Page 38032  
 Linda Smith,  
 County Clerk Fee \$ 26<sup>00</sup>