

01 AUG 14 PM 11:01

After recording, return to:
Hershner, Hunter, Andrews,
Neill & Smith, LLP
Attn: Carol Mart
P.O. Box 1475
Eugene, OR 97440

Vol M01 Page 40853

State of Oregon, County of Klamath
Recorded 08/14/01 at 11:01a.m.
In Vol. M01 Page 40853
Linda Smith,
County Clerk Fee \$ 21.00

RESCISSION OF NOTICE OF DEFAULT AND ELECTION TO SELL
UNDER TERMS OF TRUST DEED

A Notice of Default and Election to Sell Under Terms of Trust Deed having been recorded as follows:

Date: July 31, 2001
Volume M01, Page 38254
Official Records of Klamath County, Oregon

regarding the following Trust Deed:

PARTIES:

Grantor: GERRY J. SMITH and EUGENIA A. SMITH
Trustee: WILLIAM L. SISEMORE
Beneficiary: KLAMATH FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION

RECORDED:

Date: May 14, 1990
M90, Page 9196
Official Records of Klamath County, Oregon

Notice is hereby given that the undersigned Successor Trustee hereby rescinds the above referred to Notice of Default and Election to Sell Under Terms of Trust Deed. The Trust Deed and all obligations secured thereby are reinstated and shall remain in force and effect the same as if no acceleration had occurred and as if the Notice of Default had not been given. This rescission shall not be construed as waiving or affecting any default under the Trust Deed, or as impairing any right thereunder, or as modifying any of the terms thereof, but is only an election without prejudice not to cause a sale to be made pursuant to the Notice of Default.

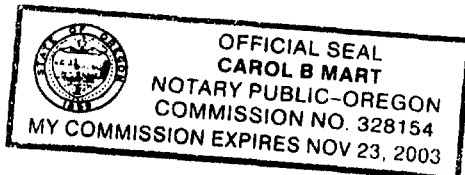
DATED: August 13, 2001.

Michael C. Arola

Michael C. Arola,
Successor Trustee

STATE OF OREGON)
) ss.
COUNTY OF LANE)

Subscribed and sworn to before me on August 23, 2001, by MICHAEL C. AROLA, Successor Trustee.



Carol B. Mart
Notary Public for Oregon
My Commission Expires: 11-23-03

**RESCISSION OF NOTICE OF DEFAULT AND ELECTION
TO SELL UNDER TERMS OF TRUST DEED**