

DEED IN LIEU OF FORECLOSURE

(Harich Tahoe Developments)

THIS INDENTURE, made and entered into this 29th day of April, 1996, by and between Chad Gandy and Darcy M. Gandy, husband and wife as joint tenants with right of survivorship, Grantor, whose address is Post Office Box 748, Pescadero, CA 94060, and Harich Tahoe Developments, a Nevada general partnership, Grantee, whose address is 400 Ridge Club Drive, Post Office Box 5790, Stateline, Nevada 89449. Mail statements to Grantee.

WITNESSETH:

That the said Grantor, in consideration of the sum of TEN DOLLARS (\$10.00), lawful money of the United States of America, to Grantor in hand paid by the said Grantee, or other good and valuable consideration, the receipt whereof is hereby acknowledged, does by these presents grant, bargain and sell unto Grantee, Grantee's heirs, personal representatives, successors and assigns, forever, all that certain real property situated in the County of Douglas, State of Nevada, described as follows:

See Exhibit A attached hereto and incorporated herein by this reference;

TOGETHER WITH the tenements, hereditaments and appurtenances thereunto belonging or appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and all personal property of Grantor, if any, therein (all of the foregoing shall hereinafter be referred to as the "Property");

TO HAVE AND TO HOLD the Property unto the said Grantee, Grantee's heirs, personal representatives, successors and assigns, forever.

This Deed in Lieu of Foreclosure is an absolute conveyance of title to the Property to Grantee and is not intended as a mortgage, trust conveyance, or security of any kind, Grantor having sold said Property to Grantee for a fair and adequate consideration, such consideration, in addition to that above recited, being full satisfaction of all obligations secured by the Deed of Trust executed by Chad Gandy and Darcy M. Gandy, husband and wife as joint tenants with right of survivorship, to Stewart Title of Douglas County, a Nevada Corporation, Trustee, in favor of Harich Tahoe Developments, Beneficiary, recorded on March 31, 1993 in Book 393 at Page 5995 as Document No. 303382, Official Records of Douglas County, State of Nevada.

Grantor declares and warrants to Grantee and any title insurance company subsequently insuring title to the Property that this conveyance is freely and fairly made and not under any misapprehension as to effect nor under coercion or duress; there are no agreements, oral or written, other than this Deed in Lieu of Foreclosure, between the parties hereto with respect to the Property hereby conveyed; except for easements and restrictions of record and the above Deed of Trust, title to the Property is free and clear of all liens and encumbrances; Grantor is the sole owner of the Property and has not assigned, alienated, or transferred all or any part of Grantor's ownership interests in the Property; the granting of this Deed in Lieu of Foreclosure is not being done with the intent to defraud creditors and is intended as an absolute conveyance, and not a mortgage; the value of the Property and other consideration received by Grantee is reasonably equivalent to the unpaid balance of the note secured by the Deed of Trust; and Grantor is not a party to any bankruptcy or other insolvency proceeding nor is contemplating the commencement of any such proceeding.

Grantor has consulted, or has decided not to consult, with an attorney concerning the rights which Grantor has including contesting a default, curing a default, and reinstating under Nevada law and expressly waives such rights. By giving this Deed in Lieu of Foreclosure, these rights will be lost.

From time to time after the execution of this Deed in Lieu of Foreclosure, at the request of Grantee, Grantor agrees to and shall execute, acknowledge, and deliver such other instruments and perform such other additional acts as Grantee may reasonably request to assign, transfer, convey, deliver, and vest more effectively title in Grantee and to put Grantee in possession of the Property, or to otherwise effectuate and carry out the intent of this instrument.

In consideration of the acceptance of delivery hereof by Grantee, Grantor does hereby release and forever discharge Grantee, Resorts Development International, Inc., their respective heirs, personal representatives, successors, assigns, directors, partners, officers, employees, brokers, agents, and attorneys from any and all actions, damages, costs, debts, claims, and demands whatsoever which Grantor may have in law or equity with regard to the Property, the acquisition thereof, the Deed of Trust and the note which it secures, the loan relationship between Grantor and Grantee, and the giving of this Deed in Lieu of Foreclosure.

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BK 0596 PG 2031

IN WITNESS WHEREOF, Grantor has executed this conveyance the day and year first hereinabove written.

Chad Gandy

Chad Gandy

Darcy M. Gandy

Darcy M. Gandy

STATE OF California)
COUNTY OF San Mateo)

SS.

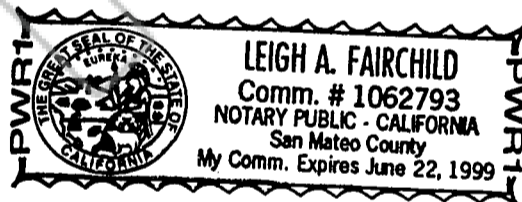
On 5/4/96, before me, a Notary Public, personally appeared

Chad Gandy & Darcy M. Gandy, personally known or proved to me

to be the person(s) described in and who executed the foregoing instrument, who acknowledged that he or she executed the same freely and voluntarily and for the uses and purposes therein mentioned.

WITNESS my hand and official seal.

Leigh A. Fairchild
Notary Public



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BK0596PG2032

AFFIDAVIT
(Harich Tahoe Developments)

STATE OF NEVADA)
)
County of Douglas)

SS


Harich Tahoe Developments, a Nevada General Partnership, being first duly sworn upon oath, deposes and says:

That, for purposes of accepting delivery of the foregoing Deed in Lieu of Foreclosure and affiant executing this Affidavit, he is a duly authorized officer or agent of the Grantee named therein; that he has read the Deed in Lieu of Foreclosure and knows the contents thereof; that to the best of his own knowledge, there is no statement contained in the terms, warranties and covenants therein set forth which is false; that in executing this Affidavit, and subject to the following proviso, Grantee hereby accepts said Deed in Lieu of Foreclosure and agrees to its terms and covenants and approves the warranties therein contained, provided that there are no encumbrances, liens, adverse claims, defects, or other charges or matter appearing in the public records attaching subsequent to the recording of the Deed of Trust which affects the property deeded and provided further that Grantor is the sole, titled, record owner of the property.

Harich Tahoe Developments, a
Nevada general partnership

By: 
Brian R. Walkerley, Agent

Subscribed, sworn to and acknowledged before me this 29th day of April, 1996.


Notary Public

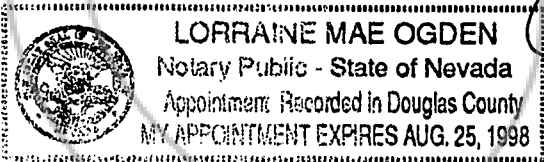


EXHIBIT "A" (37)

An undivided 1/102nd interest as tenants in common in and to that certain real property and improvements as follows: (A) An undivided 1/106th interest in and to Lot 37 as shown on Tahoe Village Unit No. 3-13th Amended Map, recorded December 31, 1991, as Document No. 268097, rerecorded as Document No. 269053, Official Records of Douglas County, State of Nevada, excepting therefrom Units 039 through 080 (inclusive) and Units 141 through 204 (inclusive) as shown on that certain Condominium Plan Recorded July 14, 1988, as Document No. 182057; and (B) Unit No. 042 as shown and defined on said Condominium Plan; together with those easements appurtenant thereto and such easements described in the Fourth Amended and Restated Declaration of Time Share Covenants, Conditions and Restrictions for The Ridge Tahoe recorded February 14, 1984, as Document No. 096758, as amended, and in the Declaration of Annexation of The Ridge Tahoe Phase Five recorded August 18, 1988, as Document No. 184461, as amended, and as described in the Recitation of Easements Affecting the Ridge Tahoe recorded February 24, 1992, as Document No. 271619, and subject to said Declarations; with the exclusive right to use said interest in Lot 37 only, for one week every other year in Even-numbered years in the Swing "Season" as defined in and in accordance with said Declarations.

A portion of APN: 42-281-04

REQUESTED BY
STEWART TITLE of DOUGLAS COUNTY
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

'96 MAY 13 A9:42

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LINDA SLATER
RECORDER
\$10.00 PAID *K* DEPUTY