

NOTICE OF DEFAULT AND ELECTION TO SELL

UNDER DEED OF TRUST

IN THE MATTER OF THE DEED OF TRUST MADE BY: TIMOTHY D. PALMER and, KATHLEEN J. PALMER, husband and wife, and JONATHAN P. PALMER, an unmarried man, Trustors, to DOUGLAS COUNTY TITLE COMPANY, a subsidiary of STEWART TITLE CO., a corporation, Trustee, dated October 25, 1986, and recorded in Book 1186, Official Records, at Page 1176, in the Office of the County Recorder of Douglas County, State of Nevada, as Document No. 144989, securing among other obligations, a Note for \$11,645.00 in favor of HARLESK MANAGEMENT, INC., Beneficiary.

NOTICE IS HEREBY GIVEN that a breach of the obligation for which said Deed of Trust is security has occurred in that there has been a default as follows:

Non-payment of principal and interest payments in the amount of \$165.53, and any subsequent payments that become due, plus all advances made, if any, plus all penalties, late charges and service charges, if any, that may be due. There is now owing and unpaid on said Note the principal amount of \$1,413.04. TOGETHER WITH all Maintenance Fees now due and becoming due to The Ridge Sierra Property Owners Association, whether advanced by the Beneficiary, or not.

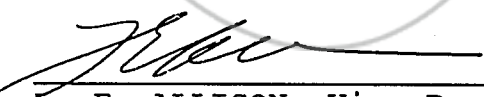
That by reason thereof, the undersigned, present Beneficiary under such Deed of Trust, has elected to exercise the power of sale, and further declares that Beneficiary does hereby accelerate the entire unpaid balance in accordance with the terms of said Promissory Note and Deed of Trust, and Beneficiary has elected to sell or cause to be sold said real property described in said Deed of Trust to satisfy said obligation.

This notice is subject to Chapter 107 of Nevada Revised Statutes.

To determine if reinstatement is possible and the amount necessary to cure the default, contact Q. M. CORPORATION, at 515 Nichols Blvd., Sparks, Nevada 89431, Tel: (702) 355-4040. Contact person: JOSIE LEVERETT.

DATED December 1st, 1997.

Q. M. CORPORATION, a Nevada corporation,

  
L. E. ALLISON, Vice President

0430351

0428592

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BK1297PG3200

STATE OF NEVADA )  
 ) ss:  
COUNTY OF WASHOE )

This instrument was acknowledged before me on December 1st, 1997, by L. E. ALLISON, Vice President of Q. M. CORPORATION, a Nevada corporation.

Josephine Leverett  
NOTARY PUBLIC



COPIED

REQUESTED BY  
**Q.M. CORP.**  
IN OFFICIAL RECORDS OF  
DOUGLAS CO. NEVADA

'97 DEC 16 P12:43

RETURN TO:

Q. M. CORP.  
515 NICHOLS BLVD.  
SPARKS, NV 89431

0428592

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LINDA SLATED  
RECORDER  
\$ 8.00 PAID KD DEPUTY

0430351  
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COPY

REQUESTED BY  
**Q.M. CORP.**  
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IN OFFICIAL RECORDS OF  
DOUGLAS CO., NEVADA

'98 JAN 14 P12:40

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LINDA SLATER  
RECORDER  
\$ 9.00 PAID KJ DEPUTY