NOTICE OF DEFAULT AND ELECTION TO SELL UNDER DEED OF TRUST

NOTICE IS HEREBY GIVEN:

THAT Stewart Title of Northern Nevada, a Nevada corporation, is duly appointed Trustee, under a Deed of Trust, Dated May 15, 1997, and executed by Thomas A. Leary and Kathryn A. Leary, husband and wife as Trustor, to secure certain obligations in favor of Richard F. Schey as beneficiary, recorded November 6, 1997, in Book 1197, at Page 893, as Document No. 425657, of Official Records of Douglas County, State of Nevada, including one note in the amount of \$33,523.80.

That the beneficial interest under such Deed of Trust and the obligation secured thereby are presently held by the undersigned; that a breach of, and default in, the obligations for which such Deed of Trust is security has occurred in that payment has not been made of:

Non-payment of the entire unpaid principal balance in the amount of \$33,523.80 which became all due and payable on July 25, 1998. Together with interest at the rate of 12% from July 25, 1997. ALSO TOGETHER with any attorney fees, advances and ensuing charges which may become due during the term of this default.

That by reason thereof, the present beneficiary under such Deed of Trust, has executed and delivered to said duly appointed Trustee, a written Declaration of Default and Demand for Sale, and has deposited with said Trustee, such Deed of Trust and all documents evidencing obligations secured thereby, and has declared and does hereby declare all sums secured thereby immediately due and payable and has elected and does hereby elect to cause the trust property to be sold to satisfy the obligations secured thereby.

NOTICE

YOU MAY HAVE THE RIGHT TO CURE THE DEFAULT HEREIN AND REINSTATE THE OBLIGATION SECURED BY SUCH DEED OF TRUST ABOVE DESCRIBED. SECTION 107.080 NEVADA REVISED STATUTES PERMITS CERTAIN DEFAULTS TO BE CURED UPON THE PAYMENT OF THE AMOUNTS REQUIRED BY THAT SECTION WITHOUT REQUIRING PAYMENT OF THAT PORTION OF PRINCIPAL AND INTEREST WHICH WOULD NOT BE DUE HAD NO DEFAULT OCCURED. WHERE REINSTATEMENT IS POSSIBLE, IF THE DEFAULT IS NOT CURED WITHIN 35 DAYS FOLLOWING THE RECORDING AND MAILING TO TRUSTOR OR TRUSTOR'S SUCCESSOR IN INTEREST OF THIS NOTICE, THE RIGHT OF REINSTATEMENT WILL TERMINATE AND THE PROPERTY MAY THEREAFTER BE SOLD.

To determine if reinstatement is possible, and for the amount necessary to cure the default, contact Phillip E. Frink, at 702-828-5500.

DATED: AUGUST 19. 1998

Richard F. Schey

STATE OF CALIFORNIA) SS COUNTY OF Savinavaises)

This instrument was acknowledged before me on August 19, 1998 by Richard F. Schey.

MOTARY PUBLIC

98051920

Phil Frink

98146379

Trustee Sale Officer

Foreclosure No.

WHEN RECORDED RETURN TO: STEWART TITLE OF NORTHERN NEVADA 3400 Kauai Ct. Ste 103 Reno, NV 89509

STEWART TITLE OF DOUGLAS COUNTY

IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

KARALEE RAE OSTROWSKI Commission #1083538

Notary Public — California San Francisco County

My Comm. Expires Jan 18,2000

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