

RESCISSION OF NOTICE OF DEFAULT AND ELECTION TO SELL

THIS RESCISSION of Notice of Default and Election to Sell is made this 2nd day of September 1998, by the undersigned.

WHEREAS, the undersigned is the present beneficiary under that certain deed of trust (the "Deed of Trust") executed by STEPHEN C. BEALE and MARGARET V. BEALE, husband and wife as tenants in common, recorded as Document No. 379681 in Book 196 at Page 4159 in the Official Records of Douglas County, Nevada; and

WHEREAS, the undersigned declared a default under the terms of the Deed of Trust and caused that certain Notice of Default and Election to Sell to be recorded on August 3, 1998 in Book 898 at Page 82 Document No. 446029 in the Official Records of, said County; and

WHEREAS, the undersigned wishes to rescind said Notice of Default and Election to Sell.

NOW, THEREFORE, the undersigned declares that upon the recording hereof in the Official Records of said County, the aforementioned Notice of Default and Election to Sell is rescinded, cancelled and withdrawn and shall be of no further force or effect; notwithstanding the foregoing, the undersigned reserves all rights and remedies as set forth in the Deed of Trust or elsewhere, including applicable law, and this Rescission by the undersigned and any forbearance by the undersigned of its rights and remedies under the Deed of Trust or the promissory note which it secures or under any other loan documents executed in connection with or related to either of them or otherwise afforded shall not be deemed a waiver of or preclude the exercise of any such right or remedy of the undersigned.

HARICH TAHOE DEVELOPMENTS,  
a Nevada General Partnership

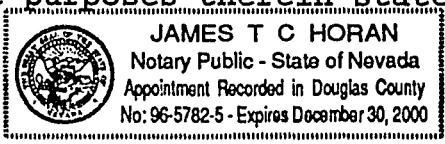
By: Lakewood Development, Inc.,  
a Nevada Corporation,  
Managing General Partner

By: Lawson Flanagan  
Lawson Flanagan,  
Vice President

STATE OF NEVADA )  
 ) ss  
COUNTY OF DOUGLAS )

On this 3<sup>rd</sup> day of September 1998, before me, a notary public, in and for said county and state, personally appeared Lawson Flanagan, known to me to be the person whose name is subscribed to the within instrument as the Vice President of Lakewood Development, Inc., a Nevada Corporation, managing general partner of Harich Tahoe Developments, a Nevada general partnership in-Fact, who executed the above instrument on behalf of the said partnership, and acknowledged to me that he executed the same for the purposes therein stated.

[Signature]  
Notary Public



WHEN RECORDED, MAIL TO:  
Stewart Title of Douglas County  
1702 County Road, Suite B  
Minden, NV 89423

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

'98 SEP -4 P3:27

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LINDA SLATER  
RECORDER  
\$7.00 PAID K2 DEPUTY