37-048-49-81

RESCISSION OF NOTICE OF DEFAULT AND ELECTION TO SELL

THIS RESCISSION OF NOTICE OF DEFAULT AND ELECTION TO SELL is made this 5 day of February, 1999, by the undersigned.

WHEREAS, the undersigned is the present beneficiary under that certain deed of trust (the 'Deed of Trust') executed by AARON BAILEY and NEFETARI BAILEY, husband and wife as joint tenants with right of survivorship, recorded on August 16, 1995 in Book 895 at Page 2651 as Document Number 368447 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 certain Notice of Default and Election to Sell to be recorded on November 03, 1998 in Book 1198 at Page 441 as Document Number 453179 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recording hereof in the Official Records of said County, the aforementioned Notice of Default and Election to Sell is rescinded, canceled and withdrawn and shall be of no further force or effect; notwithstanding the foregoing, the undersigned reserves all rights and remedies as set forth in the Deed of Trust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 F. Flanagan
Lawson Flanagan, Vice President

STATE OF NEVADA)
) SS
COUNTY OF DOUGLAS)

On this 11th day of FEBRUARY, 1999, before me, a notary public, in and for said county and state, personally appeared Lawson Flanagan, who is the Vice President of Lakewood Development, Inc., a Nevada Corporation, managing general partner of Harich Tahoe Developments, a Nevada general partnership, personally known to me to be the person 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.

DEBBIE L. ALDERSON
Notary Public - State of Nevada
Appointment Recorded in Douglas County
No: 96-2064-5 - Expires April 5, 2000

Debbie L. Alderson
Notary Public

WHEN RECORDED MAIL TO:
Harich Tahoe Developmentss
Post Office Box 5790
Stateline, Nevada 89449

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

'99 FEB 12 A10:17

LINDA SLATER
RECORDER
$7.00 PAID KD DEPUTY

0461019

BK0299PG2600

COPY