A Portion of APN: 1319-22-000-003

DEED IN LIEU OF FORECLOSURE

R.P.T.T. -0-

Interval #17-005-17-01

THIS INDENTURE, made and entered into this 18th day of October, 2002, by and between THOMAS A. PENDER and JACQUELYN J. PENDER, husband and wife, Party of the First Part/Grantor, and Walley's Partners Limited Partnership, a Nevada limited partnership, Party of the Second Part/Grantee,

WITNESSETH:

That the said Party of the First Part, in consideration of the sum of TEN DOLLARS (\$10.00), lawful money of the United States of America to him in hand paid by the said Party of the Second Part, the receipt of whereof is hereby acknowledged, does by these presents, grant, bargain and sell unto the said party of the Second Part, and to his heirs and assigns forever, all that certain real property situate in the County of Douglas, State of Nevada, described as follows:

SEE EXHIBIT "A" ATTACHED HERETO

TOGETHER WITH the tenements, hereditaments and appurtenances thereunto belonging or appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof.

TO HAVE AND TO HOLD the said premises, together with the appurtenances, unto the said Party of the Second Part, and to his heirs and assigns forever.

This Deed in Lieu of Foreclosure is an absolute conveyance, the Party of the First Part having sold said land to the Party of the Second part 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 THOMAS A. PENDER and JACQUELYN J. PENDER, husband and wife, to STEWART TITLE OF DOUGLAS COUNTY, a Nevada corporation, Trustee for Walley's Partners Limited Partnership, a Nevada limited partnership, Beneficiary, recorded on September 21, 1999, in Book 0999, Page 4079 as Instrument No. 0477122, Official Records of Douglas County, Nevada. Party of the First Part declare(s) that this conveyance is freely and fairly made and that 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.

IN WITNESS WHEREOF, the party of the First Part has executed this conveyance the day and year first hereinabove written.

Thomas A. Pender

STATE OF Henada

COUNTY OF

Jacquelyn J. Pender

On this 18th day of Uctober, 2002, before me, the undersigned, a

Notary Public in and for said County and State, personally appeared

| Monas 1. Fonder and Jacquelys | Fender | known to me to be the person described in and who executed the foregoing instrument, who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

WITNESS my hand and official seal.

NÓTARY PUBLIC

MAIL TAX STATEMENTS TO:

Walley's Partners Limited Partnership

Q

P.O. Box 158

Genoa, NV 89411

NOTARY PUBLIC
STATE OF NEVADA
County of Washoe
PATRICIA POTWIN
No: 99-57652-2
My Appointment Expires Aug, 24, 2003

AFFIDAVIT

STATE OF NEVADA) :ss
COUNTY OF DOUGLAS)

Walley's Partners Limited Partnership, a Nevada limited partnership

Grantee herein, being first duly sworn upon oath, deposes and says:

That he or she has read the foregoing Deed In Lieu of Foreclosure and knows the contents thereof, and that every statement contained in the terms, warranties and covenants therein set forth is true of his or her own knowledge; that the parties named as Grantees in executing this Affidavit hereby accept said Deed in Lieu of Foreclosure and agree to its terms and covenants and approve the warranties therein contained.

WALLEY'S PARTNERS LIMITED PARTNERSHIP, a Nevada limited partnership

Authorized Agent

Subscribed, Sworn to and Acknowledged before me this 17th day of Ochher, 20 02.

MOTADY DIET.TO

E. CAMPOS

Motary Public - State of Nevada
Appointment Recorded in County of Douglas
My Appointment Explies May 31, 2006

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Inventory No: 17-005-17-01

EXHIBIT "A" (Walley's)

A timeshare estate comprised of an undivided interest as tenants in common in and to that certain real property and improvements as follows:

An undivided 1/1071st interest in and to all that real property situate in the County of Douglas, State of Nevada, described as follows:

ADJUSTED PARCEL F: A parcel of land located within a portion of the West one-half of the Northeast one-quarter (W 1/2 NE 1/4) of Section 22, Township 13 North, Range 19 East, Mount Diablo Meridian, more particularly described as follows:

Commencing at the one-quarter corner common to Sections 15 and 22, T13N, R19E, M.D.M., a found 1985 BLM brass cap as shown on the Record of Survey prepared by David D. Winchell and recorded September 28, 1989 in the office of the Recorder, Douglas County, Nevada as Document No. 211937; thence South 57°32'32" East, 640.57 feet to the POINT OF BEGINNING; thence North 80°00'00" East, 93.93 feet; thence North 35°00'00" East, 22.55 feet; thence North 10°00'00" West, 92.59 feet; thence North 80°00'00" East, 72.46 feet; thence South 10°00'00" East, 181.00 feet; thence South 80°00'00" West, 182.33 feet; thence North 10°00'00" West, 72.46 feet to the POINT OF BEGINNING.

(Reference is made to Record of Survey for Walley's Partners Ltd. Partnership, in the office of the County Recorder of Douglas County, Nevada, recorded on September 17, 1998 in Book 998, at Page 3261, as Document No. 449576.)

Together with those easements appurtenant thereto and such easements and use rights described in the Declaration of Time Share Covenants, Conditions and Restrictions for David Walley's Resort recorded September 23, 1998, as Document No. 0449993, and as amended by Document No. 0466255, and subject to said Declaration; with the exclusive right to use said interest for one Use Period within a DELUXE UNIT each year in accordance with said Declaration.

REQUESTED BY
Stewart Title of Douglas County
IN OFFICIAL RECORDS OF
DOUGLAS CO. HEVADA

2002 OCT 30 AM 10: 22

LINDA SLATER
RECORDER

S/6 PAID/ DEPUTY

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BK 1002 PG 13721