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SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT, entered into this 22nd day of July, 1982, by and between RICHARDSON HOLDINGS, INC., a corporation organized under the laws of the State of Delaware (hereinafter referred to as "Beneficiary"), and HARICH TAHOE DEVELOPMENTS, a Nevada general partnership (hereinafter referred to as "Trustor"),

W I T N E S S E T H :

WHEREAS, on March 17, 1981, Trustor executed a Deed of Trust and Assignment of Rents in favor of Beneficiary, securing a promissory note of even date, copies of which are attached hereto as Exhibit "A", and incorporated herein by this reference, with said Deed of Trust and Assignment of Rents encumbering that certain property located in Douglas County, Nevada, more particularly described as:

Lots 26 through 41, inclusive, of Tahoe Village Unit Number 3, fifth amended map, recorded as Document No. 61612, Official Records, Douglas County Recorder's Office, Minden, Nevada, as amended by Certificate of Amendment recorded November 23, 1981, as Document No. 62661.

Together with any and all easements, easement rights, building permits, water permits, sewer permits, special use permits, property permits and any and all authorizations or other rights or interests of Trustor which is, or may be, appurtenant to, or used in connection with, the above-described real property and the project known as "The Ridge Tahoe".

WHEREAS, Trustor has recorded certain Covenants, Conditions and Restrictions affecting the real property described herein, which Covenants, Conditions and Restrictions are for the benefit of any and all purchasers of the real property described herein and the improvements to be constructed thereon; and

....
....
....

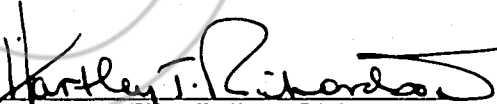
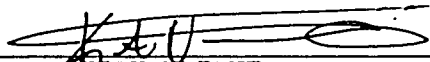
1 WHEREAS, Trustor must amend such Covenants, Conditions
2 and Restrictions in order to comply with the regulations of the
3 California Department of Real Estate.

4 NOW, THEREFORE, in consideration of the mutual
5 covenants, conditions and terms hereinafter set forth, and
6 other good and valuable consideration, the parties hereto do
7 agree that:

8 1. The Exhibit "A" Deed of Trust and Assignment of
9 Rents, as amended hereby shall be, and the same hereby is, made
10 subject to and unconditionally subordinate to the Amended and
11 Restated Declaration of Time Share Covenants, Conditions and
12 Restrictions for The Ridge Tahoe, recorded September 17,
13 1982, as Document No. 71000, Official Records, Douglas
14 County, Nevada.

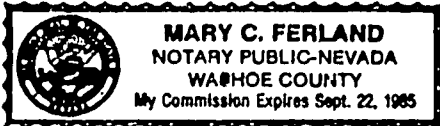
15 2. Except as specifically provided for herein by
16 this Amendment, all of the rest and remainder of the terms and
17 conditions of the above-referenced Deed of Trust and Assignment
18 of Rents, attached hereto as Exhibit "A", shall remain of full
19 force and effect, and its validity and enforceability shall not
20 be impaired, diminished nor its priority affected hereby.

21 IN WITNESS WHEREOF, the parties hereto have set their
22 hands on the date and year first above written.

23 "BENEFICIARY"	"TRUSTOR"
24 RICHARDSON HOLDINGS, INC. a Delaware corporation	HARICH TAHOE DEVELOPMENTS a Nevada general partnership
25	By HARLESK ASSOCIATES a Nevada limited partnership General Partner
26	By HARLESK NEVADA, INC. a Nevada corporation General Partner
27	
28	
29 By 	By 
30 HARTLEY RICHARDSON Vice President	KIRK NAIRNE Vice President/Assistant Secretary
31	
32	

1 STATE OF NEVADA)
: ss.
2 County of Douglas)

3 On this 21st day of July, 1982, personally
4 appeared before me, a Notary Public, HARTLEY RICHARDSON, who
5 acknowledged to me that he is the Vice President of RICHARDSON
6 HOLDINGS, INC., a Delaware corporation, Beneficiary herein, and
7 who acknowledged to me that he executed the foregoing Subordination
8 Agreement on behalf of said corporation.



Mary C. Ferland
NOTARY PUBLIC

12 STATE OF NEVADA)
: ss.
13 County of Douglas)

14 On this 21st day of July, 1982, personally
15 appeared before me, a Notary Public, KIRK NAIRNE, who acknowledged
16 to me that he is the Vice President/Assistant Secretary of
17 HARLESK NEVADA, INC., a Nevada corporation; general partner of
18 HARLESK ASSOCIATES, a Nevada limited partnership; general
19 partner of HARICH TAHOE DEVELOPMENTS, a Nevada general partner-
20 ship, Trustor herein, and who acknowledged to me that he executed
21 the foregoing Subordination Agreement on behalf of said general
22 partnership.



Mary C. Ferland
NOTARY PUBLIC

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DEED OF TRUST

AND ASSIGNMENT OF RENTS

THIS DEED OF TRUST, made this 17th day of March, 1981, by and between HARICH TAHOE DEVELOPMENTS, a general partnership, Trustor, to SILVER STATE TITLE COMPANY, Trustee, for RICHARDSON HOLDINGS, INC., a Nevada corporation, Beneficiary,

WITNESSETH:

That the Trustors do hereby grant, bargain, sell and convey unto the Trustee in trust with power of sale all that certain property situate in Douglas County, Nevada, more particularly described on Exhibit "A" attached hereto and incorporated herein by reference.

AND ALSO, all the estate, interest, homestead and other claim, in law and in equity, which the Trustor now has or may hereafter acquire in and to said property.

TOGETHER with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in any wise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, subject, however, to the right, power and authority hereinafter given to and conferred upon the Beneficiary to collect and apply such rents, issues and profits; and also all the estate, right, title and interest, homestead or other claim or demand, as well in law as in equity, which the Trustors now have or hereafter may acquire of, in, and to the said property, or any part thereof, with the appurtenances; and all of the buildings and improvements now or hereafter situated on said property together with all personal property and fixtures therein or attached thereto.

TO HAVE AND TO HOLD the same unto the said Trustee and its successors, upon the trusts hereinafter expressed, for the purpose of securing the following:

LAW OFFICES
ALLISON, BRUNETTI,
MORSE & TAYLOR, LTD
600 N. Carson St.
Carson City, NV 89701

54482
LIBER 381 PAGE 1481

71003
LIBER 982 PAGE 803

1 FIRST: As security for the payment of an indebtedness
 2 in the total principal amount of \$2,500,000, in lawful money
 3 of the United States of America, which includes future amounts
 4 or so much as may have been disbursed, with interest thereon
 5 in like lawful money and such other obligations with expenses
 6 and counsel fees according to that certain promissory note of
 7 even date herewith executed by Trustor which has been delivered
 8 to and is payable to the order of Beneficiary and any and all
 9 modifications, extensions and renewals thereof.

10 SECOND: Payment of such additional amounts as may
 11 be hereafter loaned by the Beneficiary or its successors, to
 12 the Trustor, or any successor in interest of said Trustor, with
 13 interest thereon and any other indebtedness or obligation of
 14 said Trustor, and any present or future demands of any kind or
 15 nature which the Beneficiary, or its successor, may have against
 16 said Trustor, whether created directly or acquired by assignment;
 17 whether absolute or contingent; whether due or not, or whether
 18 otherwise secured or not, or whether existing at the time of
 19 the execution of this instrument, or arising thereafter; also
 20 as security for the payment and performance of every obligation,
 21 covenant, promise or agreement herein or in any note or notes
 22 secured by this deed of trust, or in connection with the pre-
 23 servation of the property encumbered herein or the preservation
 24 or enforcement of the lien created hereby. Trustors grant to
 25 Beneficiary the right to record notice that this deed of trust
 26 is security for additional amounts and obligations not specif-
 27 ically mentioned herein but which constitute indebtedness or
 28 obligations of the Trustor, for which Beneficiary may claim
 29 this deed of trust as security.

30 THIRD: The expenses and costs incurred or paid by
 31 Beneficiary or Trustee in preservation or enforcement of the
 32 rights and remedies of Beneficiary and the duties and liabil-

ities of Trustors hereunder, including, but not limited to, attorney's fees, court costs, witnesses' fees, expert witnesses' fees, collection costs, and costs and expenses paid by Beneficiary or Trustee in performing for Trustors' account any obligations of Trustors or to collect the rents or prevent waste.

AND THIS INDENTURE FURTHER WITNESSETH:

1. REPAIRS, MAINTENANCE, WASTE, LIENS AND ENCUMBRANCES

The Trustors promise to properly care for, maintain, and keep the said property in first class condition, order and repair; to properly care for, maintain and protect, and repair all buildings, improvements and fixtures damaged or destroyed thereon; to complete in a good workmanlike manner any building or other improvement which may be constructed thereon, and to pay, when due, all claims for labor performed and for materials furnished therefor; to underpin and support, when necessary, any building or other improvement situate thereon, and otherwise to protect and preserve the same; to comply with all laws, ordinances and regulations with reference to any alterations or improvements made thereon; not to commit or permit any waste or deterioration of said buildings and improvements or said property; to pay, when due, all taxes, assessments and levies affecting said property and any costs or penalties thereon; to pay when due, all leases, mortgages, deeds of trust and other encumbrances which are or appear to be a lien or a charge upon the property, or any part thereof, either prior or subordinate to this deed of trust.

2. INSURANCE: Trustors covenant to keep all buildings and improvements that may now or at any time be on said property during the continuance of this trust insured by an All Risk policy of insurance including but not limited to coverage for loss by fire, lightning and flood with extended coverage endorsement, for 100% replacement value but not less than the

AN OFFICE
OF
MR. SAUNDERS,
H & TAYLOR, LTD
100, W. 42ND ST
N. Y. C.

1 amount of the loan.

2 Trustors covenant to keep relative to the premises,
3 including all buildings and improvements, that may now, or at
4 any time, be on said property during the continuance of this
5 trust, public liability insurance, property damage insurance,
6 in amounts as may be approved by Beneficiary. Beneficiary
7 RECOMMENDS, BUT DOES NOT REQUIRE, that trustor purchase busi-
8 ness interruption insurance.

9 All insurance policies provided pursuant to this pa-
10 graph shall name Beneficiary as a loss payee as its interest
11 appears, SHALL BE WITH A COMPANY OR COMPANIES authorized to
12 issue such insurance in the State of Nevada rated "A" or better
13 in the "Best's Ratings" book, CHOSEN BY TRUSTOR and approved
14 by Beneficiary, and shall provide thirty (30) days written no-
15 tice to Beneficiary prior to policy cancellation or modifica-
16 tion.

17 Trustors shall deliver to Beneficiary or to the col-
18 lection agent of Beneficiary the original policy or policies
19 of insurance and copies of paid receipts annually. In default
20 thereof, Beneficiary may procure such insurance and expend such
21 sum or sums as Beneficiary may deem proper, any such advance
22 for insurance to be deemed secured hereby.

23 3. DEFAULT: Trustors promise and agree that if
24 default be made in the payment when due of any installment of
25 principal and interest, or obligation, in accordance with the
26 terms of any note secured hereby; or if default be made in the
27 performance of any of the covenants, promises or agreements
28 contained herein or if default be made in the performance of
29 any of the covenants, promises or agreements contained herein
30 or if default be made in the payment of any installment of pri-
31 cipal or interest, or obligation, in accordance with the terms
32 of any note or notes secured by a deed of trust having priority

over or junior to this deed of trust, or in the performance of any of the covenants, promises or agreements contained in said prior or junior deed of trust; or if the Trustors, or either of them, become insolvent or make a general assignment for the benefit of creditors; or consent to or apply for appointment of a trustee or receiver for the property encumbered hereby, or any part thereof, or if a trustee or receiver is appointed for said property, or any part thereof; or if a petition in bankruptcy or for any debtor relief under any Federal or State Bankruptcy Act or other similar law or statute is filed by or against the Trustors; OR IN THE EVENT THE PROPERTY ENCUMBERED HEREBY, AND ALL PERSONAL PROPERTY THEREON, OR ANY PART THEREOF, OR ANY INTEREST THEREIN, IS SOLD, AGREED TO BE SOLD BY CONTRACT OF SALE OR OTHERWISE CONVEYED OR ALIENATED BY THE TRUSTOR; OR IF THE TRUSTOR SHALL BE DIVESTED OF TITLE TO THE SAID PROPERTY, REAL OR PERSONAL, IN ANY MANNER OR WAY, WHETHER VOLUNTARILY OR INVOLUNTARILY, OR BY THE OPERATION OF LAW OR OTHERWISE; OR IN THE EVENT SAID PROPERTY, REAL OR PERSONAL, OR ANY PART THEREOF OR ANY INTEREST THEREIN IS BY TRUSTOR, IN ANY WAY, ENCUMBERED, MORTGAGED, PLEDGED, OR ASSIGNED AS SECURITY, COLLATERAL OR OTHERWISE: then, except as otherwise permitted by Paragraph 12, hereof, upon the happening of any such events, the Beneficiary, at its option may declare all promissory notes, sums and obligations secured hereby immediately due and payable without demand or notice, irrespective of the maturity dates expressed therein, and Beneficiary or Trustee may record a notice of such breach or default and elect to cause said property to be sold to satisfy the indebtedness and obligations secured hereby.

4. N.R.S. COVENANTS: The following covenants, Nos. 1, 3, 4 (interest 18%), 5, 6, 7, (counsel fees shall be in an amount equal to the actual and reasonable attorney's fees incurred by Trustee and Beneficiary), 8 and 9 of NRS 107.030, when

1 not inconsistent with covenants and provisions contained herein,
2 are hereby adopted and made a part of this deed of trust.

3 5. INSPECTION OF PROPERTY: The Beneficiary or its
4 collection agent shall have access to and the right to inspect
5 said property at all reasonable times.

6 6. DEPOSITS: Trustors shall pay for and provide
7 the Beneficiary or its collection agent with a tax service satis-
8 factory to Beneficiary which reports the date and amount of
9 real property taxes and assessments due on the encumbered real
10 property. Trustors shall also deposit with Beneficiary, or
11 its collection agent, receipts showing satisfactory evidence
12 of payment of all taxes and special assessments on the encum-
13 bered real property at least ten (10) days before the due date
14 of the taxes or assessments.

15 Following any default in payment of any sum or per-
16 formance of any act to be made or performed hereunder by Trus-
17 tors, and upon written demand of Beneficiary, or its collection
18 agent, Trustors shall deposit with Beneficiary, or its collec-
19 tion agent, with and in addition to the monthly payments of
20 principal and interest payable under the terms of the note
21 secured hereby a sum equal to the taxes and special assessments
22 next due on the property covered by this Deed of Trust plus
23 the premium that will next become due and payable on policies
24 of fire and other hazard insurance on the said property (all
25 as estimated by the Beneficiary), less all sums already paid
26 therefor, divided by the number of months to elapse before one
27 month prior to the date when such premiums, taxes and assess-
28 ments will become delinquent. Such sums to be held by the
29 Beneficiary, or its collection agent, in trust to pay said pre-
30 miums, taxes and special assessments before the same become
31 delinquent. Moneys so deposited shall be held in a separate
32 account and no interest shall accrue or be payable on such

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ALLIANCE-BRANDT, LTD.
STANLEY & TAYLOR, LTD.
140 N. BROADWAY
NEW YORK, N.Y. 10038

1 deposits. It shall be the responsibility of Trustors to fur-
2 nish Beneficiary, or its collection agent, with bills or in-
3 voices in sufficient time to pay such items before penalty
4 attaches and before insurance policies lapse.

5 All the payments mentioned in the above sub-section
6 of this paragraph, and all payments to be made under the note
7 secured hereby shall be added together and the aggregate amount
8 thereof shall be paid by the Trustors each month in a single
9 payment to be applied by the Beneficiary, or its collection
10 agent, to the following items in order set forth:

11 (a) Taxes, special assessments, fire and other
12 hazard insurance premiums.

13 (b) Interest on the note secured hereby.

14 (c) Amortization of the principal of said note.

15 Any deficiency in the amount of any such aggregate
16 monthly payment shall, unless remedied by the Trustors prior
17 to the due date of the next payment, constitute an event of
18 default under this Deed of Trust.

19 If the Trustors fail to make any payment or perform
20 any act which they are obligated to make or perform hereby,
21 then the Trustee, or Beneficiary, at the election of either of
22 them, without demand or notice to the Trustors, or any successo
23 in interest of the Trustors, may make such payment or perform
24 such act and incur any liability, or expend whatever amounts,
25 in its absolute discretion, it may deem necessary therefor.

26 All sums incurred or expended by the Trustee, or Beneficiary,
27 under the terms hereof, shall become immediately due and pay-
28 able by the Trustors to the Trustee, or Beneficiary when so
29 incurred or expended, and shall bear interest until paid at
30 the annual percentage rate of 18% and shall be secured hereby.

31 7. EMINENT DOMAIN: If the above described property,
32 or any portion thereof, be condemned under any power of eminent

1 domain or acquired for any public use or quasi-public use, the
2 damages, proceeds, and consideration for such acquisition to
3 the extent of the full amount of indebtedness secured hereby
4 remaining unpaid, are hereby irrevocably assigned by Trustors
5 to Beneficiary, and shall be paid forthwith to Beneficiary, to
6 be applied on account of the last maturing installments of such
7 indebtedness. Such payment will not constitute a prepayment
8 under the terms of the promissory note secured hereby.

9 8. INSURANCE PROCEEDS, REPAIRS AND RESTORATION:

10 All insurance moneys received by Trustee or Beneficiary on ac-
11 count of any loss or damage to the real or personal property
12 encumbered by this deed of trust (hereinafter referred to as
13 the encumbered property) shall be paid over to and held by Bene-
14 ficiary as part of the encumbered property and, after deducting
15 therefrom the reasonable charges and expenses of Trustee or
16 Beneficiary in connection with the collection and disbursement
17 of such moneys. In the event Trustors are not in default under
18 the terms and conditions of this deed of trust and the promis-
19 sory note secured hereby, Beneficiary may pay the same out from
20 time to time for the purpose of paying the cost of repairs,
21 restoration, reconstruction, or replacement of the encumbered
22 property damaged or destroyed, or may apply the same to the
23 prepayment or partial prepayment of the note secured hereby,
24 in the manner and under and subject to the conditions herein-
25 after stated, to-wit:

26 Trustor shall be entitled to use and apply the pro-
27 ceeds of said policies to the repair, restoration, reconstruc-
28 tion or replacement of the encumbered property damaged or de-
29 stroyed, provided (a) Trustor shall within sixty (60) days
30 after the date of loss, notify Beneficiary of the intention of
31 Trustor to so utilize such proceeds; and (b) Trustor shall
32 submit to Beneficiary, within ninety (90) days after the date

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ALLISON, DENNIS TYLE
GARDNER & TAYLOR, LTD
600 W. CHURCH ST.
COLUMBIA, MO 65201

1 of loss, plans and specifications for the contemplated repair,
 2 restoration, reconstruction or replacement of the encumbered
 3 property, together with the estimated cost thereof, prepared
 4 by an architect or engineer satisfactory to Beneficiary, with
 5 a certificate of such architect or engineer certifying that in
 6 his opinion the encumbered property upon completion of such
 7 repairs, restoration, reconstruction, or replacement will be
 8 worth not less than the value of the encumbered property immedi-
 9 ately prior to such loss or damage; or the estimated cost may
 10 be established by bids for the construction thereof by contrac-
 11 tor or contractors satisfactory to Beneficiary; and (c) Trustors
 12 shall, before beginning any work, also deposit with Beneficiary
 13 an amount in cash equal to the amount by which the estimated
 14 cost of such repairs, restoration, reconstruction or replace-
 15 ment exceeds the amount of the insurance proceeds then held by
 16 Beneficiary. Upon compliance with the foregoing conditions
 17 Trustor shall be entitled to proceed with such work of repair,
 18 restoration, reconstruction or replacement and to utilize and
 19 apply the proceeds of said insurance policies as aforesaid
 20 against customary architects' or engineers' progress certifi-
 21 cates satisfactory to Beneficiary and presented to Beneficiary
 22 from time to time during the progress of such repair, restora-
 23 tion, reconstruction or replacement. Beneficiary shall turn
 24 over to Trustor from the proceeds of said insurance policies
 25 and any other funds deposited with it as aforesaid, the amount
 26 certified to in said certificate representing the cost of labor
 27 and materials used in said construction work to the date thereof.
 28 Trustor covenant and agree that if they elect to repair, re-
 29 store, reconstruct or replace the encumbered property as afore-
 30 said, and to utilize the proceeds of insurance policies for
 31 such purpose, Trustor shall and will, not less than ninety
 32 (90) days after the date of loss, proceed with the work of con-

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 AL LIGON, SALVETTI,
 MURPHY & TAYLOR, LTD.
 400 N. Dearborn St.
 Chicago, Ill. 60610

1 instruction and will thereafter prosecute such work diligently
 2 so that the encumbered property will be restored in substan-
 3 tially the same condition for the purposes hereof as prior to
 4 such damage or destruction, and Trustor will not suffer to be
 5 created or filed against the encumbered property or any part
 6 thereof any mechanics', materialmen's, laborers' or other lien
 7 in connection with such work and will pay all bills and other
 8 charges therefor promptly when due.

9 If Trustor shall not meet and comply in all respects
 10 with the terms and conditions hereinabove set forth with respect
 11 to the use and application of such insurance proceeds for the
 12 repair, reconstruction, restoration or replacement of the encum-
 13 bered property, then and in any event such insurance proceeds
 14 may, at the option of Beneficiary be used and applied either
 15 (a) to the cost of repair, restoration, reconstruction or re-
 16 placement of the encumbered property as damaged or destroyed,
 17 or (b) to the prepayment in full or partial prepayment of the
 18 note secured hereby in inverse order of the regular stated
 19 maturities, and any partial prepayment shall not excuse or be
 20 in payment of the next and succeeding installment payments due
 21 under the promissory note which shall be paid on the date due
 22 as stated in the note until the total balance of principal and
 23 interest, after application of the prepayment, is paid in full.

24 In the event the insurance proceeds are used to repair,
 25 restore, reconstruct or replace the encumbered property so
 26 damaged or destroyed as aforesaid and there remains any surplus
 27 of cash in the hands of the Beneficiary, after the completion
 28 of such repairs, restoration, reconstruction or replacement,
 29 free and clear of all liens of every nature or claims likely
 30 to ripen into such liens, such surplus may be used and applied
 31 by Beneficiary to the prepayment of the principal installments
 32 of said note in the inverse order of their regular stated matur-

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 ALLEN, BRUNNEN, &
 TAYLOR, LTD.
 402 B. Division St.
 Canton, Ohio 44701

1 ities, and any use of the surplus as a partial prepayment shall
 2 not excuse or be in payment of the next and succeeding install-
 3- ment payments due under the promissory note which shall be paid
 4 on the date due as stated in the note until the total balance
 5 of principal and interest, after application of the prepayment,
 6 is paid in full.

7 Trustor shall give immediate notice to Beneficiary
 8 of any damage to or destruction of the encumbered property or
 9 any part thereof, Trustor hereby grant to Trustee and to Bene-
 10 ficiary full power and authority to make proof of loss under
 11 any and all insurance policies, either in the name of Trustor
 12 or in the name of the Beneficiary or adjust, settle and collect
 13 insurance and to endorse for an in behalf and in the name of
 14 Trustor any check, draft or other instrument received therefor
 15 and to collect the proceeds thereof, and also, if default shall
 16 occur hereunder, to collect any unearned premiums and apply
 17 the same to the debt secured hereby.

18 In the event of foreclosure of this deed of trust,
 19 or other transfer of title to the property covered hereby in
 20 full or partial extinguishment of the indebtedness secured here-
 21 by, all right, title and interest of the Trustor in and to
 22 any insurance policies then in force may pass to the purchaser
 23 or grantee, or Trustee or Beneficiary may take such other steps
 24 as they may deem advisable with respect thereto and to cause
 25 the interest of such purchaser or grantee to be protected by
 26 any such insurance policies, or if the Trustee or Beneficiary
 27 elects so to do, they may collect any unearned premiums and apply
 28 the same on the debt secured hereby and Trustor shall not be
 29 entitled in either event to any unearned premiums. In the event
 30 that prior to the extinguishment of the indebtedness any claim
 31 under any hazard insurance policies had not been paid and dis-
 32 tributed in accordance with the terms of this deed of trust,

1 and if (a) any such insurance claim shall be paid after the
 2 full or partial extinguishment of the indebtedness secured here
 3 by, and (b) the foreclosure of this deed of trust, or other
 4 transfer of title to the property covered hereby shall have
 5 resulted in payment to Beneficiary of an amount less than the
 6 total of the unpaid principal balance together with accrued
 7 interest plus costs and disbursements at the time of the pay-
 8 ment of all or a portion of the indebtedness secured hereby,
 9 then and in that event the insurance payment in satisfaction
 10 of the claim shall be applied in an amount necessary to satisfy
 11 the unpaid indebtedness due to the Beneficiary (the deficiency
 12 existing and remaining unsatisfied) and shall belong to, be
 13 the property of, and be paid over to the Beneficiary. Trustor
 14 hereby irrevocably assign, transfer, and set over to the Bene-
 15 ficiary all the Trustor's right, title, and interest in and to
 16 said sum. Any insurance proceeds paid to Beneficiary pursuant
 17 to this paragraph will not constitute a prepayment under the
 18 terms of the prepayment charge provisions of the promissory
 19 note secured hereby.

20 9. COMPLIANCE WITH LAW: Without limiting any other
 21 provision contained herein relating to the same or similar mat-
 22 ters as hereinafter set forth, Trustor covenant and agree that
 23 in the ownership, operation, and management of the premise that
 24 Trustor will observe and comply with all applicable federal,
 25 state, and local statutes, ordinances, regulations, orders,
 26 and covenants, conditions and restrictions affecting the
 27 Exhibit "A" property.

28 10. ASSIGNMENT OF RENTS: As a portion of the secur-
 29 ty hereunder, Trustor hereby assign and give to and confer
 30 upon the Trustee and Beneficiary the right, title and interest,
 31 and, during the continuance of these trusts to collect the rents,
 32 issues and profits of the real property encumbered by this deed

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 ALLEN, BAUMANN & TAYLOR, LTD.
 100 W. Broadway
 New York City, N.Y. 10038

1 of trust or of any personal property located thereon, with or
 2 without taking possession of the property affected hereby, and
 3 further assigns all the right, title and interest in and to
 4 any and all leases now or hereafter on or affecting the encum-
 5 bered property; reserving unto the Trustor the right, prior
 6 to any default by Trustor, in payment of any indebtedness se-
 7 cured hereby, or default by Trustor in the performance of any
 8 agreement hereunder, to collect and retain such rents, issues
 9 and profits as they may accrue and become payable. The fore-
 10 going assignment of any lease shall not be deemed to impose
 11 upon the Trustee and Beneficiary any of the obligations or dut-
 12 ies of Trustor provided in any such lease, and Trustor agree
 13 to fully perform all obligations of the lessor under all such
 14 leases.

15 The Trustee or Beneficiary may enter the encumbered
 16 property and inspect the same at any time during the existence
 17 of the trust hereby created, and in case default be made in
 18 the payment of any sum secured hereby, or in the performance
 19 of any act the performance of which is secured hereby, the Trus-
 20 tee and Beneficiary shall be entitled at any time, at its option
 21 either by itself, by an agent, or a Receiver to be appointed
 22 by a court, and without regard to the adequacy of any security
 23 for the indebtedness hereby secured, to enter upon and take
 24 possession of the encumbered property, or any part thereof,
 25 and to do and perform such acts of repair, cultivation, pro-
 26 tection or irrigation as may be necessary or proper to conserve
 27 the value thereof; to rent or lease the same or any part thereof
 28 for such rental, term and upon such conditions as it judgment
 29 may dictate, and to collect and receive the rents, issues and
 30 profits thereof; which rents, issues, profits, present and fu-
 31 ture, are hereby assigned to the Trustee as further security,
 32 but which assignment Trustee or Beneficiary agrees not to en-

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 & TAYLOR, LTD
 402 N. Duane St
 Canton, NY 13741

COPY

1 force, so long as Trustor, is not in default in performance of
 2 any act to be made or performed hereunder; and all such
 3 issues, and profits, to the execution or satisfaction of
 4 obligation secured by this deed of trust, and also to do any
 5 other act or acts, as it may deem necessary or proper, in the
 6 use, management or operation of the said premises, or to pro-
 7 tect or conserve the value thereof, the specific enumerations
 8 herein, not excluding the general. In the event that the Trust-
 9 or Beneficiary shall exercise the option granted in this para-
 10 graph the Trustors agree to surrender to the Trustee or Benefi-
 11 ciary peaceable possession of said property, and not to inter-
 12 fere in any manner with the exercise of the rights granted
 13 herein; and the expenses therein incurred, including compensa-
 14 tion to said Trustee and Receiver, and attorneys' fees and
 15 costs and disbursements, shall be deemed to be a portion of
 16 the expense of this trust, and secured hereby. Trustor also
 17 assign to Trustee, as a portion of the security for the per-
 18 formance of the obligations secured hereby, all prepaid rents
 19 and all monies which have been or may hereafter be deposited
 20 with said Trustors by any lessee of the property encumbered
 21 by this deed of trust, to secure the payment of any rent, and
 22 upon default in the performance of any of the provisions hereof
 23 Trustor agree to deliver said rents and deposits to the Trustee.

24 Trustor shall not, without Beneficiary's prior writ-
 25 ten consent, further assign the rents, issues and profits from
 26 the encumbered property, nor enter into any agreement or do
 27 any act to amend, modify, extend, terminate or cancel, accept
 28 the surrender, subordinate, accelerate the payment of rent, or
 29 change the terms of any renewal option of any lease now or here-
 30 after affecting such property or any portion thereof.

31 11. SUBORDINATION: Beneficiary hereby irrevocably
 32 agrees that upon the request of Trustor, that it will subordi-

LAW OFFICES
 4100 W. CENTRAL
 SUITE 1000 DENVER CO 80202
 TEL 333-8888
 FAX 333-8888

48

1 nate this deed of trust to a construction loan for construc-
 2 tion of improvements on the Exhibit "A" property to be obtained
 3 by Trustor in accordance with Paragraph 7.3 of the March 5,
 4 1981 General Partnership Agreement between LAKEWOOD DEVELOPMENT
 5 INC., and HARLESK NEVADA, INC.

6 12. RELEASE AND RECONVEYANCE: At any time during
 7 the existence of this deed of trust, in consideration of the
 8 Trustor's performance of the Development Agreement between
 9 DOUGLAS COUNTY, HARLESK NEVADA, INC. or KINGSBURY GENERAL
 10 IMPROVEMENT DISTRICT, trustor shall have the right from time
 11 to time during the term of this deed of trust to obtain a re-
 12 lease or releases, and reconveyance, from the lien and provi-
 13 sions of this deed of trust of such parcels, lots, or pieces
 14 of the encumbered real property in accordance with Paragraph
 15 7.3 of the March 5, 1981 General Partnership Agreement between
 16 LAKEWOOD DEVELOPMENT, INC., and HARLESK NEVADA, INC.

17 13. EXERCISE OF POWERS AND REMEDIES: Each and every
 18 power or remedy herein specifically given shall be in addition
 19 to every other power or remedy, existing or implied, now or
 20 hereafter given or existing in law or in equity, and each and
 21 every power and remedy herein specifically given or otherwise
 22 so existing or given may be exercised from time to time and as
 23 often and in such order as may be deemed expedient by Benefic-
 24 iary or the holder of the Promissory Note and the exercise or
 25 the beginning of the exercise of one power or remedy shall not
 26 be deemed a waiver of the right to exercise at the same time
 27 or thereafter any power or remedy. No delay or omission of
 28 the Beneficiary in the exercise of any such right or power or
 29 be construed to be a waiver of any default or acquiescence
 30 therein.

31 14. SEVERABILITY: The unenforceability or invalid-
 32 ity of any provision or provisions of this deed of trust as to

1 any persons or circumstances shall not render that provision
2 or those provisions unenforceable or invalid as to any other
3 persons or circumstances, and all provisions hereof, in all
4 other respects, shall remain valid and enforceable.

5 15. SUCCESSORS AND ASSIGNS: The benefits of the
6 covenants, terms, conditions, and agreements contained herein
7 shall accrue to, and the obligations thereof shall bind the
8 heirs, representatives, successors, and assigns of the parties
9 hereto and the Beneficiary hereof. Whenever used, the singular
10 number shall include the plural, the plural the singular and
11 the use of any gender shall include all other genders, and the
12 term "Beneficiary" shall include any payee of the indebtedness
13 hereby secured or any transferee thereof whether by operation
14 or law or otherwise.

15 16. TRUST: The trusts created hereby are irrevoc-
16 able by the Trustors.

17 17. NOTICES: Any notice or demand to be given or
18 required by the terms of this deed of trust shall be given to
19 the Trustors and Beneficiary by certified or registered mail
20 at the following addresses:

21
22 Beneficiary: RICHARDSON HOLDINGS, INC.
23 One Lombard Place, 30th Floor
Winnipeg, Manitoba CANADA

24 Trustors: HARICH TAHOE DEVELOPMENTS
25 South Lake Tahoe, Nevada

26 IN WITNESS WHEREOF, the Trustors have executed this

27 ---
28 ---
29 ---
30 ---
31 ---
32 ---

1 deed of trust and assignment of rents the day and year first
2 above written.

HARICH TAHOE DEVELOPMENTS,
a general partnership

6 General Partner: HARLESK NEVADA, INC.
a Nevada corporation

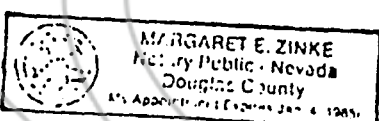
7
8 By [Signature]
HARVEY S. WOLFE President

10 General Partner: LAKEWOOD DEVELOPMENT, INC.
a Nevada corporation

11
12 By [Signature]
DONALD P. LEANEY President

14 STATE OF NEVADA)
15 County of Douglas) ss.

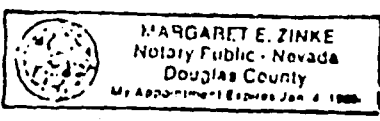
16 On this 17th day of MARCH, 1981, personally
17 appeared before me, a Notary Public, HARVEY S. WOLFE,
18 known to me to be the ^{VICE} President of HARLESK NEVADA, INC., a
19 general partner of HARICH TAHOE DEVELOPMENTS, who acknowledged
20 to me that he executed the foregoing Deed of Trust and Assignment
21 of Rents on behalf of said corporation.

22  MARGARET E. ZINKE
Notary Public - Nevada
Douglas County
My Appointment Expires Jan 4, 1985.

23 [Signature]
NOTARY PUBLIC

24 STATE OF NEVADA)
25 County of Douglas) ss.

26 On this 17th day of MARCH, 1981, personally
27 appeared before me, a Notary Public, DONALD P. LEANEY,
28 known to me to be the President of LAKEWOOD DEVELOPMENT, INC., a
29 general partner of HARICH TAHOE DEVELOPMENTS, who acknowledged
30 to me that he executed the foregoing Deed of Trust and Assignment
31 of Rents on behalf of said corporation.

32  MARGARET E. ZINKE
Notary Public - Nevada
Douglas County
My Appointment Expires Jan 4, 1985.

[Signature]
NOTARY PUBLIC

LAW OFFICES
ALLISON, BRUNETTI,
MARGOLIS & TAYLOR LTD
600 N. Carson St.
Carson City, NV 89701

EXHIBIT "A"

All that certain real property located in Douglas County, State of Nevada, known as:

Parcels B, C, D, E and F, as shown on the official map of TAHOE VILLAGE UNIT #3, recorded January 22, 1973, as Document No. 63805, Official Records of Douglas County, State of Nevada.

			<i>1/2</i>	<i>Stewart Title Co.</i>	<i>Ch</i>	<i>24.00</i>		<i>63862</i>
BANK TRANSIT NO.	CHECKS	CASH	DATE	RECEIVED FROM	REC'D BY	RECORDING FEES	REAL PROPERTY TRANSFER TAX	DOCUMENT AND RECEI NUMBER

RECEIPT 63862

DOUGLAS COUNTY RECORDER AND AUDITOR
POST OFFICE BOX 218 MINDEN, NEVADA 89423
TELEPHONE (702) 752-5176

BOOK *182* PAGE *583*

Received By: *Jay*

REQUESTED BY
SILVER STATE TITLE CO.
IN OFFICIAL RECORDS OF
DOUGLAS CO. NEVADA
20.00 pd.
1981 MAR 18 PM 12:13

REQUESTED BY
Steve Hartman
IN OFFICIAL RECORDS OF
DOUGLAS CO. NEVADA
24.00 pd.
1982 SEP 17 PM 3:46

MARIE A. RABEL
RECORDER

Ann Blaney 54482
Dep. LIBER 381 PAGE 1498

SUZANNE BEAUDREAU
RECORDER

Carol P. Clark LIBER 71003
dep. 982 PAGE 820