

DEED OF TRUST

AND ASSIGNMENT OF RENTS

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2
3
4 THIS DEED OF TRUST, made this 22nd day of ^{November}~~October~~,
5 1985, by and between PRESCO NEVADA, INC. ("Trustor"), to LAWYERS
6 TITLE INSURANCE CORPORATION, a corporation ("Trustee"), for
7 and in favor of WEYERHAEUSER VENTURE COMPANY, a Nevada corporation
8 ("WVC") and JAMES LEE CONSTRUCTION CO., INC., a Nevada corporation
9 ("LEE"), with WVC and LEE being hereinafter referred to, jointly
10 and severally, as "Beneficiary," as follows:

11
12 W I T N E S S E T H:

13 That the Trustor does hereby grant, bargain, sell
14 and convey unto the Trustee in trust with power of sale all
15 that certain property situated in Douglas County, State of Nevada,
16 more particularly described on Exhibit "A" attached hereto and
17 incorporated herein by reference.

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

21 TOGETHER with all and singular the tenements, heredita-
22 ments and appurtenances thereunto belonging or in any wise
23 appertaining, and the reversion and reversions, remainder and
24 remainders, rents, issues and profits thereof, subject, however,
25 to the right, power and authority hereinafter given to and con-
26 ferred upon the Beneficiary to collect and apply such rents,
27 issues and profits; an also all the estate, right, title and
28 interest, homestead or other claim or demand, as well in law as

1 in equity, which the Trustor now has or hereafter may acquire
2 of, in, and to the said property, or any part thereof, with
3 the appurtenances; and all of the buildings and improvements
4 now or hereafter situated on said property with all personal
5 property and fixtures therein or attached thereto.

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

9 FIRST: As security for the payment of an indebtedness
10 or indebtednesses in the total principal sum of \$1,050,000.00
11 in lawful money of the United States of America, with interest
12 thereon in like lawful money and such other obligations with
13 expenses and counsel fees, all according to the terms of and
14 as evidenced by the two (2) promissory notes of even date here-
15 with, for such total sum, executed and delivered by the Trustor
16 to the Beneficiary. One of such notes is for the principal
17 amount of \$525,000 and is in favor of WVC (one of the Benefi-
18 ciaries hereof). The other note is for the principal amount
19 of \$525,000 and is in favor of LEE (the other Beneficiary
20 hereof).

21 SECOND: Payment of such additional amounts as may
22 be hereafter loaned by the Beneficiary or its successors, to
23 the Trustor, or any successor in interest of the Trustor, with
24 interest thereon and any other indebtedness or obligation of
25 the Trustor, and any present or future demands of any kind or
26 nature which the Beneficiary, or its successor, may have against
27 the Trustor, whether created directly or acquired by assignment;
28 whether absolute or contingent; whether due or not, or whether

1 otherwise secured or not, or whether existing at the time of
2 the execution of this instrument, or arising thereafter; also
3 as security for the payment and performance of every obligation,
4 covenant, promise or agreement herein or in any note or notes
5 secured by this deed of trust, or in connection with the preser-
6 vation of the property encumbered herein or the preservation
7 or enforcement of the lien created hereby. Trustor grants to
8 Beneficiary the right to record notice that this deed of trust
9 is security for additional amounts and obligations not speci-
10 fically mentioned herein but which constitute indebtedness or
11 obligations of the Trustor for which Beneficiary may claim this
12 deed of trust as security.

13 THIRD: The expenses and costs incurred or paid by
14 Beneficiary or Trustee in preservation or enforcement of the
15 rights and remedies of Beneficiary and the duties and liabili-
16 ties of Trustor hereunder, including, but not limited to,
17 attorney's fees, court costs, witnesses' fees, expert wit-
18 nesses' fees, collection costs, and costs and expenses paid by
19 Beneficiary or Trustee in performing for Trustor's account any
20 obligations of Trustor or to collect the rents or prevent waste.

21 AND THIS INDENTURE FURTHER WITNESSETH:

22 1. REPAIRS, MAINTENANCE, WASTE, LIENS AND ENCUM-
23 BRANCES: The Trustor promises to properly care for, maintain,
24 and keep the said property in first class condition, order and
25 repair; to properly care for, maintain and protect, and repair
26 all buildings, improvements and fixtures damaged or destroyed
27 thereon; and to pay, when due, all claims for labor performed
28 and for materials furnished therefor; to underpin and support,

1 when necessary, any building or other improvement situate
2 thereon, and otherwise to protect and preserve the same; to
3 comply with all law, ordinances and regulations with reference
4 to any alterations or improvements made thereon; not to commit
5 or permit any waste or deterioration of said property; to pay,
6 when due, all taxes, assessments, penalties and levies affecting
7 said property and any costs or penalties thereon; to pay when
8 due, all leases, mortgages, deeds of trust and other encumbrances
9 which are or appear to be a lien or a charge upon the property,
10 or any part thereof, either prior or subordinate to this deed
11 of trust.

12 1.A. Trustor shall not make any major or sub-
13 stantial changes, additions, alterations or improvements
14 to the real property or existing improvements encumbered
15 by this deed of trust without first obtaining Beneficiary's
16 prior written approval, which approval will not be unreason-
17 ably withheld. Trustor shall not make any changes, additions,
18 alterations, or improvements to said real property or existing
19 improvements which would in any way dilute, reduce or impair
20 the Beneficiary's security in this deed of trust and the
21 property.

22 1.B. In the event Trustor defaults and fails
23 to maintain or repair the said property or improvements,
24 or defaults and fails to pay any or all of the aforemen-
25 tioned claims, obligations, encumbrances or liens, without
26 exception, after fifteen (15) days' written notice of default
27 is not cured; then Beneficiary may maintain, repair
28 and demand to cure after which time the default and expend

1 such sum or sums as Beneficiary may deem proper to satisfy
2 the default, and any such advance shall be deemed secured
3 hereby.

4 2. INSURANCE: Trustor covenants to keep all build-
5 ings and improvements that may now or at any time be on said
6 property during the continuance of this trust, insured by an
7 all-risk policy of insurance, including but not limited to,
8 coverage for loss by fire, lightning and flood with extended
9 coverage endorsement not less than the amount of the loan and
10 with no coinsurance.

11 Trustor covenants to keep relative to the premises,
12 including all buildings and improvements, that may now, or at
13 any time be on said property during the continuance of this
14 trust, public liability and property damage insurance.

15 All insurance policies provided pursuant to this para-
16 graph shall name Beneficiary as a mortgagee and loss payee as
17 its interest appears, shall be with a company or companies
18 authorized to issue such insurance in the State of Nevada
19 rated "A" or better in the "Best's Ratings" book approved by
20 Beneficiary and shall provide thirty (30) days written notice
21 to Beneficiary prior to policy cancellation or modification.

22 3. DEFAULT: Trustor promises and agrees that upon
23 the happening of any one of the following events, the Benefi-
24 ciary, at its option, may declare all promissory notes, sums
25 and obligations secured hereby immediately due and payable
26 without demand or notice, irrespective of the maturity dates
27 expressed therein, and Beneficiary or Trustee may record a
28 notice of such breach or default and elect to cause said

1 property to be sold to satisfy the indebtedness and obliga-
2 tions secured hereby:

3 (a) If default be made in the payment when due
4 of any installment of principal or interest, or in any
5 other obligation as provided herein, or in the performance
6 of any of the covenants, promises or agreements contained
7 in the Deed of Trust and Assignment of Rents securing the
8 notes; or

9 (b) If default be made in the payment of any
10 installment of principal or interest, or in any other
11 obligation, under the terms of any note or notes secured
12 by any deed of trust, which is subordinate to or which
13 has priority over this Deed of Trust and Assignment of
14 Rents, or in the performance of any of the covenants,
15 promises or agreements contained in any such subordinate
16 or prior deed of trust; or

17 (c) If the Trustor becomes insolvent or makes
18 a general assignment for the benefit of creditors, or consents
19 to or applies for the appointment of a trustee or receiver
20 for the property encumbered hereby, or any part thereof;
21 or

22 (d) If there is an uncured default by Trustor
23 in the performance of that certain Development Agreement
24 between Douglas County, Nevada and Indian Hills Associates,
25 Ltd. dated August 5, 1982; or

26 (e) If a trustee or receiver is appointed for
27 said property or any part thereof; or
28

1 (f) IN THE EVENT THE REAL PROPERTY, ENCUMBERED
2 BY THIS DEED OF TRUST AND ASSIGNMENT OF RENTS, OR ANY PART
3 THEREOF, OR ANY INTEREST THEREIN, IS SOLD, AGREED TO BE
4 SOLD BY CONTRACT OR SALE OR OTHERWISE CONVEYED OR ALIENATED
5 BY THE TRUSTOR; OR

6 (g) IF THE MAKER SHALL BE DIVESTED OF TITLE TO
7 THE SAID REAL PROPERTY OR ANY PART THEREOF, IN ANY MANNER
8 OR WAY, WHETHER VOLUNTARILY OR INVOLUNTARILY, OR BY THE
9 OPERATION OF LAW OR OTHERWISE; OR

10 (h) IN THE EVENT SAID REAL PROPERTY OR ANY PART
11 THEREOF, OR ANY INTEREST THEREIN IS, IN ANY WAY, ENCUM-
12 BERED MORTGAGED, PLEDGED, OR ASSIGNED AS SECURITY, COL-
13 LATERAL, OR OTHERWISE; OR

14 (i) IF TRUSTOR SHALL TRANSFER, SELL, AGREE TO
15 SELL BY CONTRACT OR OTHERWISE, VOLUNTARILY OR INVOLUNTARILY
16 EXCEPT BY DESCENT OR DEVISE, ANY INTEREST IN THE TRUSTOR,
17 PRESENTLY OWNED OR HEREAFTER ACQUIRED.

18 If a proceeding be either voluntarily or involuntarily
19 instituted for reorganization of Trustor or for any other debtor
20 relief provided for by the Bankruptcy Code or by any bankruptcy
21 law, whether filed by or against Trustor, the obligations under
22 this note are automatically accelerated without further action
23 by Beneficiary or Trustee.

24 4. N.R.S. COVENANTS: The following covenants (which
25 are fully set forth in Section 107.030 of the Nevada Revised
26 Statutes), when not inconsistent with covenants or provisions
27 contained herein, are hereby adopted and made a part of this
28 deed of trust: Nos. 1, 3, 4 (interest shall be at the rate set

1 forth in the notes secured hereby), 5, 6, 7 (counsel fees shall
2 be in an amount equal to the actual and reasonable attorney's
3 fees incurred by Trustee and Beneficiary), 8 and 9 of NRS 107.030.

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

7 6. EMINENT DOMAIN: If the above-described property,
8 or any portion thereof, be condemned under any power of eminent
9 domain or acquired for any public use or quasi-public use, the
10 damages, proceeds and consideration for such acquisition to
11 the extent of the full amount of indebtedness secured hereby
12 remaining unpaid, are hereby irrevocably assigned by Trustor
13 to Beneficiary, and shall be paid forthwith to Beneficiary, to
14 be applied on account of the last maturing installments of such
15 indebtedness. Such payment will not constitute a prepayment
16 under the terms of the prepayment charge provisions (if any)
17 of the promissory notes secured hereby.

18 7. INSURANCE PROCEEDS, REPAIRS AND RESTORATION:
19 All insurance moneys received by Trustee or Beneficiary on account
20 of any loss or damage to the real or personal property encumbered
21 by this deed of trust (hereinafter referred to as the encumbered
22 property) shall be paid over to and held by Beneficiary as
23 part of the encumbered property and, after deducting therefrom
24 the reasonable charges and expenses of Trustee or Beneficiary
25 in connection with the collection and disbursement of such moneys.
26 In the event Trustor is not in default under the terms and condi-
27 tions of thi deed of trust and the promissory notes secured hereby,

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1 Beneficiary may pay the same out from time to time for the purpose
2 of paying the cost of repairs, restoration, reconstruction, or
3 replacement of the encumbered property damaged or destroyed,
4 or may apply the same to the prepayment or partial prepayment
5 of the notes secured hereby.

6 Trustor shall be entitled to direct Beneficiary to
7 use and apply the proceeds of said policies to repair, restor-
8 ation, reconstruction or replacement of the encumbered property
9 damaged or destroyed, provided (a) Trustor shall within sixty
10 (60) days after the date of loss, notify Beneficiary of the
11 intention of Trustor to so utilize such proceeds; and (b) Trustor
12 shall submit to Beneficiary, within ninety (90) days after date
13 of loss, plans and specifications for the contemplated repair,
14 restoration, reconstruction or replacement of the encumbered
15 property, together with the estimated cost thereof, prepared
16 by an architect or engineer satisfactory to Beneficiary, with
17 a certificate of such architect or engineer certifying that in
18 his opinion the encumbered property upon completion of such
19 repairs, restoration, reconstruction, or replacement will be
20 worth not less than the value of the encumbered property immedi-
21 ately prior such loss or damage; or the estimated cost may be
22 established by bids for the construction thereof by contractor
23 or contractors satisfactory to Beneficiary; and (c) Trustor
24 shall, before beginning any work, also deposit with Beneficiary
25 an amount in cash equal to the amount by which the estimated
26 cost of such repairs, restoration, reconstruction or replacement
27 exceeds the amount of the insurance proceeds then held by Benefi-
28 ciary. Upon compliance with the foregoing conditions Trustor shall

1 be entitled to proceed with such work of repair, restoration,
2 reconstruction or replacement and to utilize and apply the pro-
3 ceeds of said insurance policies as aforesaid against customary
4 architects' or engineers' progress certificates satisfactory
5 to Beneficiary and presented to Beneficiary from time to time
6 during the progress of such repair, restoration, reconstruction
7 or replacement. Beneficiary shall turn over to Trustor from
8 the proceeds of said insurance policies and any other funds
9 deposited with it as aforesaid, the amount certified in said
10 certificates representing the cost of labor and materials used
11 in said construction work to the date thereof. Trustor cove-
12 nants and agrees that if it elects to repair, restore, reconstruct
13 or replace the encumbered property as aforesaid, and to utilize
14 the proceeds of insurance policies for such purpose, Trustor
15 shall and will, not less than ninety (90) days after the date
16 of loss, proceed with the work of construction and will thereafter
17 prosecute such work diligently so that the encumbered property
18 will be restored in substantially the same condition for the
19 purpose hereof as prior to such damage or destruction, as soon
20 as practically possible and Trustor will not suffer to be created
21 or filed against the encumbered property or any part thereof
22 any mechanics', materialmen's, laborers' or other lien in connec-
23 tion with such work and will pay all bills and other charges
24 therefor promptly when due.

25 If Trustor shall not meet and comply in all respects
26 with the terms and conditions hereinabove set forth with res-
27 spect to the use and application of such insurance proceeds for
28 the repair, reconstruction, restoration or replacement of the

1 encumbered property, then and in any such event such insurance
2 proceeds may, at the option of Beneficiary be used and applied
3 either (a) to the cost of repair, restoration, reconstruction
4 or replacement of the encumbered property so damaged or
5 destroyed, or (b) to the prepayment in full or partial prepay-
6 ment of the notes secured hereby in inverse order of the regu-
7 larly stated maturities, and any partial prepayment shall not
8 excuse or be in payment of the next and succeeding installment
9 payments due under the promissory notes which shall be paid on
10 the date due as stated in the notes until the total balance of
11 principal and interest, after application of the prepayment,
12 is paid in full.

13 In the event the insurance proceeds are used to repair,
14 restore, reconstruct or replace the encumbered property so
15 damaged or destroyed as aforesaid and there remains any surplus
16 of cash in the hands of the Beneficiary, after the completion
17 of such repairs, restoration, reconstruction or replacement,
18 free and clear of all liens of every nature or claims likely
19 to ripen into such liens, such surplus may be used and applied
20 by the Beneficiary to the prepayment of the principal install-
21 ments of said notes in the inverse order of their regularly
22 stated maturities, and any use of the surplus as a partial
23 prepayment shall not excuse or be in payment of the next and
24 succeeding installment payments due under the promissory notes
25 which shall be paid on the date due as stated in the notes until
26 the total balance of principal and interest, after application
27 of the prepayment, is paid in full.

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1 Trustor shall give immediate note to Beneficiary of
2 any damage to or destruction of the encumbered property or any
3 part thereof. Trustor hereby grants to Trustee and to Bene-
4 ficiary full power and authority to make proof of loss under
5 any and all insurance policies, either in the name of Trustor
6 or in the name of the Beneficiary or adjust, settle and collect
7 insurance and to endorse for and in behalf and in the name of
8 Trustor any check, draft or other instrument received therefor
9 and to collect the proceeds thereof, and also, if default shall
10 occur hereunder, to collect any unearned premiums and apply
11 the same to the debt secured hereby.

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

1 and (b) the foreclosure of this deed of trust, or other transfer
2 of title to the property covered hereby shall have resulted in
3 payment to Beneficiary of an amount less than the total of the
4 unpaid principal balance together with accrued interest plus
5 costs and disbursements at the time of the payment of all or a
6 portion of the indebtedness secured hereby, then and in that
7 event the insurance payment in satisfaction of the claim shall
8 be applied in an amount necessary to satisfy the unpaid indebted-
9 ness due to the Beneficiary (the deficiency existing and
10 remaining unsatisfied) and shall belong to, be the property
11 of, and be paid over to the Beneficiary. Trustor hereby
12 irrevocably assigns, transfers, and sets over to the Bene-
13 ficiary all the Trustor's right, title, and interest in and to
14 said sum.

15 8. COMPLIANCE WITH LAW: Without limiting any other
16 provision contained herein relating to the same or similar
17 matters as hereinafter set forth, Trustor covenants and agrees
18 to observe and comply with all applicable federal, state, and
19 local statutes, ordinances, regulations, orders, and restrictions.

20 9. ASSIGNMENT OF RENTS: As a portion of the security
21 hereunder, Trustor hereby assigns and gives to and confers upon
22 the Trustee and Beneficiary the right, title and interest and,
23 during the continuance of these trusts, to collect the rents,
24 issues and profits of the property encumbered by this deed of
25 trust, with or without taking possession of the property
26 affected hereby, and further assigns to Beneficiary all the
27 right, title and interest in and to any and all leases now or
28 hereafter on or affecting the encumbered property, reserving

1 unto the Trustor the right, prior to any default by Trustor in
2 payment of any indebtedness secured hereby, or in the perfor-
3 mance of any agreement hereunder, to collect and retain such
4 rents, issues and profits as they may accrue and become payable.
5 The foregoing assignment of any lease shall not be deemed to
6 impose upon the Trustee and Beneficiary any of the obligations
7 or duties of Trustor provided in any such lease, and Trustor
8 agrees to fully perform all obligations of the lessor under
9 all such leases.

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

1 payment of any sum or performance of any act to be made or per-
2 formed hereunder), and to apply such rents, issues, and profits,
3 to the reduction or satisfaction of any obligation secured by
4 this deed of trust, and also to do any other act or acts, as
5 it may deem necessary or proper, in the use, management or
6 operation of the said premises, or to protect or conserve the
7 value thereof, the specific enumerations herein not excluding
8 the general. In the event that the Trustee or Beneficiary shall
9 exercise the option granted in this paragraph the Trustor agrees
10 to surrender to the Beneficiary peaceable possession of said
11 property, and not to interfere in any manner with the exercise
12 of the rights granted herein; and the expense therein incurred,
13 including compensation to said Beneficiary, its designated agent
14 or Receiver, for attorneys' fees, costs and related expenditures,
15 shall be deemed to be a portion of the expense of this trust,
16 and secured hereby. Trustor also assigns to Beneficiary, as a
17 portion of the security for the performance of the obligations
18 secured hereby, all prepaid rents and all monies which have
19 been or may hereafter be deposited with said Trustor by any
20 lessee of the property encumbered by this deed of trust, to
21 secure the payment of any rent, and upon default in the per-
22 formance of any of the provisions hereof Trustor agrees to
23 deliver said rents and deposits to the Trustee.

24 Trustor shall not, without Beneficiary's prior written
25 consent, further assign the rents, issues and profits from the
26 encumbered property, nor enter into any agreement or do any
27 act to amend, modify, extend, terminate or cancel, accept the
28 surrender, subordinate, accelerate the payment of rent, or change

1 the terms of any renewal option of any lease now or hereafter
2 affecting such property or any portion thereof.

3 10. SUBORDINATION: Beneficiary hereby irrevocably
4 agrees that upon the request of Trustor, it will subordinate
5 this deed of trust to such covenants, conditions and restric-
6 tions (to be made and recorded by Trustor) which are required
7 by any governmental authority having jurisdiction in order to
8 construct and sell residential units on the property covered
9 by this Deed of Trust, if such subordination is required under
10 applicable law.

11 11. PARTIAL RELEASE AND RECONVEYANCE: Trustee is
12 hereby authorized and instructed to release, by deeds of partial
13 reconveyance, legal lots from the encumbrance of this Deed of
14 Trust upon payment to Trustee for the order of Beneficiary of
15 the sum of \$3,000.00 per lot (\$1,500 to be paid on each of the
16 aforementioned 2 notes secured hereby), when accompanied by
17 payment of interest on the amount paid to the date of payment,
18 together with all recording and reconveyance costs. All of such
19 lots shall be substantially the same size. Releases shall be
20 contiguous and in accordance with good engineering and develop-
21 ment practices. Provided, however, releases need not be con-
22 tiguous if approved by Beneficiary after evidence that the
23 effect of the release would not be to landlock any portion of
24 the property covered by this Deed of Trust and that the releases
25 are otherwise orderly and in keeping with good engineering and
26 development practices. Beneficiary may not unreasonably withhold
27 its approval.

28

1 Trustor agrees not to construct any substantial improve-
2 ments for common use or for public works or utilities, including
3 but not limited to parks, artificial lakes, reservoirs, waterways
4 or water systems, except upon land released from provisions of
5 this Deed of Trust at the release price stated above. Releases
6 of roadway and utility easements required by any governmental
7 authority shall be made without consideration.

8 Trustor shall have the right, but shall not be obligated
9 at the time of making any payment or prepayment, to designate
10 a portion or portions of the encumbered property to be released
11 by virtue of the payment and in accordance with the above require-
12 ments; however, if Trustor does not so designate a portion or
13 portions to be so released at that time, such release right
14 shall be cumulative and may be exercised by Trustor at any time
15 in the future, in whole or in part, and whether or not Trustor
16 is then in default, by designating in writing to Beneficiary
17 the portion or portions of the encumbered property to be released,
18 so long as any and all such releases meet the requirements for
19 releases as stated above in this paragraph 11. Beneficiary
20 and Trustee agree to execute all releases and documents necessary
21 to release a portion or portions of the property as requested
22 by Trustor in conformity with the provisions contained herein.

23 12. EXERCISE OF POWERS AND REMEDIES. Each and every
24 power or remedy herein specifically given shall be in addition
25 to every other power or remedy, existing or implied, now or
26 hereafter given or existing in law or in equity, and each and
27 every power and remedy herein specifically given or otherwise
28 so existing or given may be exercised from time to time and as

1 often and in such order as may be deemed expedient by Benefi-
2 ciary or the holder of the promissory notes and the exercise
3 or the beginning of the exercise of one power or remedy shall
4 not be deemed a waiver of the right to exercise at the same
5 time or thereafter any power or remedy. No delay or omission
6 of the Beneficiary in the exercise of any right or power accruing
7 hereunder shall impair any such right or power or be construed
8 to be a waiver of any default or acquiescence therein.

9 13. SEVERABILITY: The unenforceability or invalidity
10 of any provision or provisions of this deed of trust as to any
11 persons or circumstances shall not render that provision or
12 those provisions unenforceable or invalid as to any other persons
13 or circumstances, and all provisions hereof, in all other respects,
14 shall remain valid and enforceable.

15 14. SUCCESSORS AND ASSIGNS: The benefits of the
16 covenants, terms, conditions, and agreements contained herein
17 shall accrue to, and the obligations thereof shall bind the
18 heirs, representatives, successors, and assigns of the parties
19 hereto and the Beneficiary hereof. Whenever used, the singular
20 number shall include the plural, the plural the singular and
21 the use of any gender shall include all other genders, and the
22 term "Beneficiary" shall include any holder or holders of the
23 indebtedness hereby secured or any transferee or transferees
24 thereof whether by operation of law or otherwise.

25 15. TRUST: The trusts created hereby are irrevocable
26 by the Trustor.

27 16. NOTICES: Any notice and demand to be given or
28 required by the terms of this deed of trust shall be given to

1 the Trustor and Beneficiary by certified or registered mail at
2 the following addresses:

3
4 Beneficiary: WEYERHAEUSER VENTURE COMPANY
5 21515 Hawthorne Blvd., Suite 310
6 Torrance, CA 90503

7 Beneficiary: JAMES LEE CONSTRUCTION CO., INC.
8 1491 Highway 395
9 Gardnerville, Nevada 89423

10 Trustor: PRESCO NEVADA, INC.
11 c/o Allison, MacKenzie, Hartman,
12 Soumbeniotis & Russell, Ltd.
13 P. O. Box 646
14 Carson City, Nevada 89702

15 IN WITNESS WHEREOF, the Trustor has executed this
16 Deed of Trust and Assignment of Rents the day and year first
17 above written.

18 PRESCO NEVADA, INC.

19
20
21 By


22 PRESTON KERR, Secretary
23 Its Secretary

24 
25 ROBERT V. WETHERN, President
26 PROSIDENT

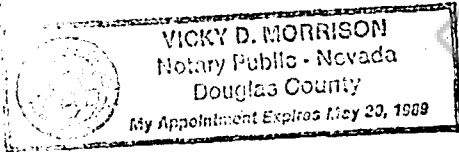
27 (Notarization on following page)
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STATE OF NEVADA)

COUNTY OF Douglas

On this 22nd day of November, 1985, personally ^{& ROBERT WETHERN} appeared before me, a Notary Public, PRESTON KERR, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument as Secretary & President, on behalf of PRESCO NEVADA, INC., the corporation therein named, and acknowledged to me such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.



Witness my hand and official seal

Vicky D. Morrison
NOTARY PUBLIC

All that real property situate in the County of Douglas, State of Nevada, described as follows:

All those portions of Sections 7, 8, 17 and 18, Towhship 14 North, Range 20 East, M.D.M., more particularly described as follows:

Beginning at a point on the East line of U.S. Highway 395 which bears North $89^{\circ}37'04''$ East 259.28 feet from the Northeast $1/16$ corner of said Section 7; thence along the North line of the Southeast $1/4$ of the Northeast $1/4$ of Section 7, North $89^{\circ}37'04''$ East 1061.33 feet, more or less, to the $1/16$ corner common to Sections 7 and 8; thence North $89^{\circ}56'36''$ East along the North line of the South $1/2$ of the Northwest $1/4$ of Section 8, 2000 feet; thence South 340 feet; thence South $66^{\circ}30'00''$ West 520 feet; thence South $54^{\circ}30'00''$ West 350 feet; thence South $18^{\circ}30'00''$ West 3450.82 feet; thence South $9^{\circ}00'00''$ West 892.05 feet; thence West 1000 feet; thence North $51^{\circ}30'00''$ West 430 feet, more or less, to a point on the West line of the Northeast $1/4$ of the Northeast $1/4$ of said Section 18: thence along said West line North 570 feet, more or less, to the $1/16$ corner common to Sections 7 and 18; thence North along the West line of the Southeast $1/4$ of the Southeast $1/4$ of Section 7, 680 feet, more or less, to a point on the East line of U.S. Highway 395; thence along said East line North $11^{\circ}13'44''$ East 715 feet, more or less, to the beginning of a tangent curve to the left with a radius of 5200 feet and a central angle of $10^{\circ}08'00''$; thence along said curve an arc length of 919.67 feet; thence North $01^{\circ}05'44''$ East 1763.26 feet to the Point of Beginning.

EXCEPTING THEREFROM the following described Parcel of land:

All that real property situate in Sections 7 and 8, Township 14 North, Range 20 East, M. D. B. & M., Douglas County, Nevada, described as follows:

Beginning at a point which bears North $80^{\circ}32'13''$ East 210.31 feet from the one-quarter corner common to said Sections 7 and 8; thence South $24^{\circ}15'44''$ West 285.00 feet; Thence South $65^{\circ}44'16''$ East 95.00 feet; thence South $56^{\circ}59'30''$ East 65.76 feet; thence South $65^{\circ}44'16''$ East 211.22 feet; thence South $52^{\circ}10'48''$ East 54.55 feet; thence South $82^{\circ}52'48''$ East 440.00 feet; thence South $18^{\circ}55'01''$ West 630.00 feet; thence North $82^{\circ}53'57''$ West 370.00 feet; thence South $53^{\circ}58'02''$ West 275.00 feet; thence WEST 135.00 feet; thence North $0^{\circ}58'44''$ East 111.59 feet; thence North $57^{\circ}26'15''$ West 100.00 feet; thence North $73^{\circ}05'07''$ West 65.00 feet; thence North $58^{\circ}01'04''$ West 266.35 feet thence North $33^{\circ}30'32''$ West 157.19 feet; thence North $50^{\circ}56'19''$ East 90.00 feet to the beginning of a curve concave to the Southwest with a radius of 787.50 feet and a central angle of $10^{\circ}15'50''$; thence along said curve an arc length of 141.07 feet to the beginning of a curve concave to the South with a radius of 20.00 feet and a central angle of $93^{\circ}21'41''$; thence along said curve an arc length of 32.59 feet; thence North $53^{\circ}22'47''$ West 50.00 feet to the beginning of a curve concave to the Southwest with a radius of 20.00 feet and a central angle of $93^{\circ}21'41''$; thence along said curve an arc length of 32.59 feet to the beginning of a curve concave to the Southwest with a radius of 787.50 feet and a central angle of $32^{\circ}09'48''$; thence along said curve an arc length of 442.07 feet; thence North $88^{\circ}54'16''$ West 90.00 feet to a point on the Easterly line of U. S. Highway 395; thence along said Easterly line North $01^{\circ}05'44''$ East 765.00 feet; thence South $88^{\circ}54'16''$ East 110.00 feet; thence North $80^{\circ}43'51''$ East 61.00 feet; thence South $88^{\circ}54'16''$ East 220.00 feet; thence North $79^{\circ}47'08''$ East 50.99 feet; thence South $88^{\circ}54'16''$ East 100.00 feet; thence South $79^{\circ}15'45''$ East 116.52 feet; thence South $68^{\circ}17'28''$ East 50.06 feet; thence South $65^{\circ}44'16''$ East 215.53 feet; thence South $54^{\circ}25'40''$ East 50.99 feet; thence South $65^{\circ}44'16''$ East 240.00 feet; thence South $30^{\circ}44'45''$ East 61.03 feet; thence South $65^{\circ}44'16''$ East 105.00 feet to THE POINT OF BEGINNING.

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COPY

REQUESTED BY
LAWYERS TITLE

IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

'85 NOV 22 P4:09

SUZANNE BEAUDREAU
RECORDER

\$26⁰⁰ PAID *Ju* DEPUTY

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