

DEED OF TRUST AND ASSIGNMENT OF RENTS

THIS DEED OF TRUST, is made this 1st day of April, A.D. 19 86,

by and between Gary B. Williams and Judy C. Williams, his wife

whose address is P.O. Box 1035, Gardnerville, NV 89410

as TRUSTOR, and Lawyers Title of Northern Nevada

a corporation organized and existing under and by virtue of the State of Nevada, as TRUSTEE, and VALLEY BANK OF NEVADA, a corporation organized and existing under and by virtue of the laws of the State of Nevada, as BENEFICIARY. (It is distinctly understood that the word "Trustor" as herein used is intended to and does include the masculine, feminine and neuter genders and the singular and plural numbers, as indicated by the context).

WITNESSETH: That said Trustor hereby grants, conveys and confirms unto said Trustee in trust with power of sale, the following described real property situate in the County of Douglas, State of Nevada, to-wit:

A parcel of land, located in the NE 1/4 of the SE 1/4 Section 10, T. 12 N., R. 20 E., M.D.B.&M., Douglas County, Nevada, more particularly described as follows:

Commencing at the Section corner common to Sections 3, 4, 9 and 10, in said Township, proceed S 61° 25'53" E, 3328.44 feet, to a point on the westerly right of way line of Nevada State Highway, Route US 395; thence S 45° 32' E, 2,401.09 feet, along said right of way line, to the TRUE POINT OF BEGINNING, which is the northern-most corner of the parcel; thence continue S 45° 32' E, 310.14 feet, along said right of way line, to its intersection with the northerly right of way line of Riverview Drive, a County Road; thence S 61° 33' W, 313.98 feet, along said northerly right of way line, to a point; thence N 41° 45'39" W, 231.10 feet, To a point; thence N 12° 44'21" E, 95.10 feet, to a point; thence N 61° 33' E, 213.46 feet, to the TRUE POINT OF BEGINNING.

A.P.N. 27-200-15

Together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in any wise appertaining to, 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 water and water rights used in connection therewith, all shares of stock evidencing the same, pumping stations, engines, machinery, pipes and ditches; and also all the estate, leasehold estate if this deed of trust is on a leasehold, right, title and interest, homestead, or other claim or demand, as well in law as in equity, which the Trustor now has or hereafter may acquire of, in, and to the said premises, or any part thereof, with the appurtenances.

TO HAVE AND TO HOLD the same unto the said Trustee and its successors, upon the trusts hereinafter expressed, namely:

As security for the payment of (a) promissory note dated April 1, 1986, in the amount of *TWO HUNDRED TEN THOUSAND AND NO/100's-----

Dollars (\$) *210,000.00* in lawful money of the United States of America, with interest thereon in like lawful money and with expenses and counsel fees according to the terms of the promissory note or notes for said sum

executed and delivered by Gary B. Williams and Judy C. Williams

to the Beneficiary; (b) such additional amounts as may be hereafter loaned by the Beneficiary or its successor to the Trustor or any of them, or any successor in interest of the Trustor, with interest thereon, also as security for the payment and performance of every obligation, covenant, promise or agreement herein or in said note or notes contained. Trustor grants to beneficiary the right to record notice that this deed of trust is security for additional amounts and obligations not specifically mentioned herein but which constitute indebtedness or obligations of the trustor for which beneficiary may claim this deed of trust as security.

AND THIS INDENTURE FURTHER WITNESSETH:

FIRST: The Trustor promises to properly care for and keep the property herein described in first class condition, order and repair; to care for, protect and repair all buildings and improvements situate thereon; not to remove or demolish any buildings or other improvements situate thereon; to restore any uninsured building or improvement 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 of said premises; to keep insured all buildings and improvements on said property against loss or damage by fire and such other casualties as may be designated by the Beneficiary, in an amount not less than the sum due the Beneficiary, or for their insurable value, whichever is lower, in some insurance company or companies to be approved by the Beneficiary, the policies of which insurance shall be payable in case of loss to the Beneficiary, and shall be delivered to and held by it as security, which said delivery shall constitute an assignment by Trustor to Beneficiary of all rights under the policy, including any return premium; to pay, when due, all taxes, assessments and levies affecting said property (including assessments on appurtenant water stock) and any costs or penalties thereon; to pay, when due, all mortgages, deeds of trust and other encumbrances which are or appear to be a lien or a charge upon the property of any part thereof, prior to this deed of trust. If the above described property is farm land, Trustor agrees to farm, cultivate and irrigate said premises in a proper, approved and husbandmanlike manner; to keep said premises free from weeds, Bermuda and Johnson grasses; to keep all vineyards, and orchards, and crops, now or hereafter planted on said premises, properly cultivated, irrigated, fertilized, pruned, sprayed and fumigated; to replace all dead or unproductive vines or trees with new ones; to keep all buildings, fences, ditches, canals, wells and any and all other farming improvements on said premises in first class condition, order and repair.

If the Trustor fails to make any payment or perform any act which is required to be made or performed hereby, then the Trustee, or Beneficiary, at the election of either, without demand or notice to the Trustor, or any successor in interest of the Trustor, or any of them, may make such payment or perform such act and incur any liability, or expend whatever amounts, in its absolute discretion, it may deem necessary therefor. All sums incurred or expended by the Trustee, or Beneficiary, under the terms hereof, shall become immediately due and payable by the Trustor to the Trustee, or Beneficiary, when so incurred or expended, and shall bear interest until paid at the highest lawful rate, and shall be secured hereby.

SECOND: The Trustor promises to appear and defend any action or proceeding purporting to affect the interest of the Beneficiary hereunder, or the said property or any part thereof, or the rights, powers and duties of the Trustee hereunder; and the Trustee or Beneficiary may likewise appear in and defend any such action or proceedings and take such action therein as either may be advised; and all costs and expenses, including costs of evidence of title, and reasonable attorney fees incurred or expended by the Beneficiary or Trustee in such action or proceeding, shall become immediately due from the Trustor to the Beneficiary or Trustee when so incurred or expended, and shall bear interest until paid at the highest lawful rate, and shall be secured hereby.

In the event that any action or proceeding is brought to exercise the right of eminent domain on said property, or any part thereof, the Trustor agrees that all money received as compensation or damages for the condemnation of said property, or any part thereof, shall be paid to Beneficiary, and said money shall be applied to the payment of the indebtedness secured hereby, whether due or not.

THIRD: As additional security, Trustor hereby gives to and confers upon the Beneficiary the right, power and authority during the continuance of these trusts to collect the rents, issues and profits of said property or of any personal property located thereon, with or without taking possession of the property affected hereby, reserving unto the Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby, or in the performance of any agreement hereunder, to collect and retain such rents, issues and profits as they may accrue and become payable.

FOURTH: The Trustee or Beneficiary may enter the premises and inspect the same at any time during the existence of the trust hereby created, and in case default be made in the payment of any sum secured hereby, or in the performance of any act the performance of which is secured hereby, the Trustee shall be entitled at any time, at its option, either by itself or by a Receiver to be appointed by a court therefor, to enter upon and take possession of the above-granted premises, or any part thereof, and to do and perform such acts of repair, cultivation, protection or irrigation as may be necessary or proper to conserve the value thereof; to rent or lease the same or any part thereof for such rental, term and upon such conditions as its judgment may dictate, and to collect and receive the rents, issues and profits thereof; also to prepare for harvest, harvest, remove and sell any crops that may be growing upon said premises (which rents, issues, profits and crops, present and future, are hereby assigned to the Trustee as further security, but which assignment Trustee agrees not to enforce so long as Trustor is not in default in payment of any sum or performance of any act to be made or performed hereunder, provided that in no event shall the Trustor collect any of said rents, issues and profits prior to accrual), and apply such rents, issues and profits, or the proceeds of the sale of any of said crops, in the manner hereinafter specified in respect of proceeds of sale of said premises, and also to do any other act or acts, as it may deem necessary or proper, in the use, management or operation of the said premises, or to protect or conserve the value thereof, the specific enumerations herein not excluding the general; and in the event that the Trustee shall exercise the option in this paragraph granted, the Trustor agrees to surrender to the Trustee peaceable possession of said premises, and not to interfere in any manner with the exercise of the rights in this paragraph granted; and the expenses therein incurred, including compensation to said Trustee and Receiver, and attorney fees and costs and disbursements, shall be deemed to be a portion of the expense of this trust, and secured hereby. Trustor also assigns to Trustee, as further security for the performance of the obligations secured hereby, all prepaid rents and all monies which have been or may hereafter be deposited with said Trustor by any lessee of the premises hereinbefore described, to secure the payment of any rent, and upon default in the performance of any of the provisions hereof Trustor agrees to deliver said rents and deposits to the Trustee.

FIFTH: The Beneficiary may without notice to or consent of Trustor extend the time of the payment of any indebtedness secured hereby to any successor in interest of the Trustor without discharging the Trustor from liability thereon. If the Trustor shall sell, convey or alienate said property or any part thereof, or any interest therein, or shall divest title in any manner or way, whether voluntary or involuntary, any indebtedness or obligation secured hereby, irrespective of the maturity dates expressed in any note evidencing the same, at the option of the holder hereof, and without demand or notice, shall immediately become due and payable. At any time, or from time to time, without liability therefor and without notice, upon written request of the Beneficiary, and without affecting the personal liability of any person for the payment of the indebtedness secured hereby, or the effect of this deed of trust upon the remainder of the said property, Trustee may upon written request of Beneficiary: Reconvey any part of said property; consent to the making of any map or plat thereof; join in granting any easement thereon, or join in any extension agreement, or any agreement subordinating the lien or charge hereof. Acceptance by Beneficiary of any sum in payment of any indebtedness secured hereby, after the date when the same is due, or after the filing of breach and election to sell, shall not constitute a waiver of the right either to require prompt payment when due of all other sums so secured, or to declare default as herein provided for failure so to pay, or to proceed with the sale under any such notice of breach and election to sell, for any unpaid balance of said indebtedness. If the Beneficiary holds any additional security for any obligation secured hereby, it may enforce the sale thereof, at its option, either before or after a sale is made hereunder.

The Trustee or Beneficiary may at any time commence and maintain an action in any court of competent jurisdiction and obtain the aid and direction of said court in the execution by it of the trusts, or any of them, herein expressed or contained, and may, in such action, obtain orders or decrees, interlocutory or final, of said court, directing the execution of said trusts, and directing, confirming or approving its acts or any of them, or any sales or conveyances made or to be made by it, adjudging the validity thereof and further determining any deficiency on the part of the Trustor remaining after such sale, and directing that the purchasers of the land and premises sold be put into immediate possession thereof, and providing for orders of court or other process, requiring the sheriff of the county in which said lands and premises are situate to place and maintain the said purchasers in quiet and peaceable possession of the lands and premises so purchased by them. In the event of default hereunder the Trustee may, at its option, bring an action in any court of competent jurisdiction to foreclose this instrument as a mortgage, or to enforce any of the covenants hereof. The Beneficiary may also bring an action to enforce the payment of any note or indebtedness secured hereby, without causing the Trustee to sell the property as herein provided, the said Trustor hereby waiving any provision of law requiring that the security conveyed by the Trustor to the Trustee herein be sold prior to the commencement of any such action. The rights and remedies hereby granted shall not exclude any other rights or remedies granted herein, or by law, and all rights and remedies granted hereunder, or permitted by law, shall be concurrent and cumulative. In any action brought pursuant to the provisions hereof, the plaintiff shall be entitled to a reasonable sum, to be fixed by the court as attorney fees expended by the plaintiff in the prosecution of said action.

SIXTH: Upon payment of all sums secured hereby, the Trustee shall reconvey, without warranty, the estate vested in it hereby, and the grantee in said reconveyance may be described in general terms as "the person or persons legally entitled thereto". The recitals in any full or partial reconveyance shall be conclusive proof against all persons of the truthfulness thereof. All reconveyances shall be at the cost of the grantee.

SEVENTH: If breach or default be made in the prompt payment, when due, of any sum secured hereby, or in the performance of any promise contained herein, or contained in any conveyance under which said Trustor claims or derives title, then and at any time thereafter the Beneficiary hereunder may declare all sums secured hereby immediately due and payable, without demand or notice; and the Beneficiary or Trustee shall record in the office of the County Recorder of the county or counties wherein said property or any part thereof is situated, a notice of such breach or default and election to cause the said property to be sold to satisfy the indebtedness and obligations secured hereby, as provided by the laws of the State of Nevada with reference to the foreclosure of deeds of trust.

In case of any default whereby the right of foreclosure occurs under this Deed of Trust, foreclosure may be made upon any one or more parcels of the real estate described hereinabove either concurrently or independently, and in such order, as Beneficiary may elect. At the time of sale so fixed, Trustee may, in its sole discretion, sell the said property so advertised or any part thereof, either as a whole or in separate parcels.

On application of the Beneficiary, and after at least three months shall have elapsed following the recordation of said notice of breach or default, the Trustee shall give notice of the time and place of sale in the manner and for a time not less than that required by law for the sale or sales of real property under execution, and without demand on separate parcels, and in such order as it may determine, at public auction, to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement, and without further notice it may make such sale at the time to which the same shall be postponed. Trustee shall deliver to the purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. Any persons, including Trustor, Trustee or Beneficiary, may purchase at such sale. Trustor hereby agrees to surrender immediately, and without demand, possession of said property to any purchaser at any sale held hereunder. In the conduct of any such sale the Trustee may act itself, or through any auctioneer, agent or attorney. In addition to the indebtedness and other obligations secured hereby, the Trustor hereby agrees to pay the expenses of such sale and of this trust, and compensation of the Trustee in an amount equal (a) to all reasonable costs and expenses of the sale, including, but not limited to, reasonable Trustee's and attorney's fees and costs of title evidence; (b) to all sums secured by this deed of trust, all of which sums shall be secured hereby and become due upon any default hereunder made by the Trustor. The Trustee shall apply the proceeds of any sale held hereunder, to the satisfaction of the sums secured hereby, in such order and to such extent as the Beneficiary, in the exercise of its absolute discretion, may direct. Any surplus in the hands of the Trustee after the payment of all sums secured hereby, shall be paid to the person or persons legally entitled thereto on the proof of such right.

EIGHTH: That in the event of a sale of the premises conveyed or transferred in trust, or any part thereof, and the execution of a deed or deeds therefor under such trust, the recital therein or default, and of recording notice of breach and election of sale, and of the elapsing of the 3-month period, and of the giving of notice of sale, and of a demand by beneficiary, his heirs or assigns, that such sale should be made, shall be conclusive proof of such default, recording, election, elapsing of time, and of the due giving of such notice, and that the sale was regularly and validly made on due and proper demand by beneficiary, his heirs and assigns; and any such deed or deeds with such recitals therein shall be effectual and conclusive against all persons, their heirs and assigns; and the receipt for the purchase money recited or contained in any deed executed to the purchaser as aforesaid shall be sufficient discharge to such purchaser from all obligation to see to the proper application of the purchase money, according to the trusts aforesaid.

NINTH: Said Trustor hereby agrees that whenever said Beneficiary or Trustee shall record said notice of breach or default and of election of Beneficiary to sell or cause to be sold said property, or whenever said Trustee shall give notice of sale of said property as herein provided, said recordation of notice of breach or default, or publication of notice of sale, shall ipso facto, so far as regards the indebtedness hereby secured and this instrument, extend any and all statutes limiting the time for the commencement of actions to enforce the payment of the sums secured hereby or any part thereof, which are now or which may hereafter be in force or effect, until thirty (30) days after the Trustee hereunder shall have completed a sale of said premises and shall have executed and delivered to the purchaser a deed of said premises, and said Trustor hereby expressly waives the right to plead any such statute or statutes of limitation in any action or proceeding to which the Trustor may be a party, provided said action is brought within the time herein provided.

Trustor further agrees that the Beneficiary may from time to time in behalf of the Trustor, renew or extend any promissory note secured hereby, and said renewal or extension shall be conclusively deemed to have been made when so endorsed on said promissory note or notes by the Beneficiary in behalf of the Trustor.

TENTH: The Beneficiary may, at any time, by instrument in writing, appoint a successor or successors to, or discharge and appoint a new Trustee in the place of, any Trustee named herein or acting hereunder, which instrument, executed and acknowledged by Beneficiary, and recorded in the office of the County Recorder of the county or counties wherein said property is situated, shall be conclusive proof of the proper substitution of such successor or successors or new Trustee, who shall have all the estate, powers, duties, rights and privileges of the predecessor Trustee.

ELEVENTH: All the provisions of this instrument shall inure to and bind the heirs, devisees, legal representatives, successors and assigns of each party hereto, respectively. All obligations of each Trustor hereunder are joint and several. The rights or remedies granted hereunder or by law shall not be exclusive but shall be concurrent and cumulative. The specific enumerations in this instrument shall not exclude the general.

TWELFTH: It is expressly agreed that the trusts created hereby are irrevocable by the Trustor.

THIRTEENTH: In the event of any tax or assessment on the interest under this deed of trust it will be deemed that such taxes or assessments are upon the interest of the Trustor, who agrees to pay such taxes or assessments although the same may be assessed against the Beneficiary or Trustee.

FOURTEENTH: If the indebtedness evidenced by the Note is intended to finance the construction of improvements to the Property, Trustor agrees to comply with the covenants and conditions of the Loan Agreement, which is hereby incorporated by reference in and made a part of this Deed of Trust. All advances made by Beneficiary pursuant to the Loan Agreement shall be indebtedness of Trustor secured by this Deed of Trust.

In case of default by Trustor of the covenants and conditions of the Loan Agreement, Beneficiary at its option, with or without entry upon the Property, (i) may invoke any of the rights or remedies provided in the Loan Agreement, (ii) may accelerate the sums secured by this Deed of Trust and invoke those remedies provided herein, or (iii) may do both. Prior to completion of the improvements, sums disbursed by Beneficiary to protect the security of this Deed of Trust up to the principal amount of the Note shall be treated as disbursements pursuant to the Loan Agreement, and such sums disbursed by Beneficiary in excess of the principal amount of the Note shall be additional indebtedness of Trustor secured by this Deed of Trust. All such sums shall bear interest from the date of disbursement at the rate stated in the Note, unless interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest legal rate and shall be payable upon notice from Beneficiary to Trustor requesting payment therefor.

If, after the commencement of amortization of the Note, the Note and this Deed of Trust are sold by Beneficiary, then

the Loan Agreement shall cease to be a part of this Deed of Trust and Trustor shall not assert any right of set off, counterclaim or other claim or defense arising out of the Loan Agreement against the obligations of the Note and this Deed of Trust.

FIFTEENTH: In the event of a default in the performance or payment under this deed of trust or the security for which this deed of trust has been executed, any notice given under Section 107.080 N.R.S. shall be given by registered letter to the Trustor addressed to Trustor at the address hereinabove set forth and such notice shall be binding upon the Trustor, and the assignee and grantee of the Trustor.

IN WITNESS WHEREOF, the Trustor has executed these presents the day and year first above written.

(SEAL)

Gary B. Williams
Gary B. Williams
Judy C. Williams
Judy C. Williams

SIXTEENTH: Certain commitment letter dated, April 1, 1986, as issued by Valley Bank of Nevada and accepted on, 4-7-86, is hereby incorporated by this reference as if fully rewritten.

GBW JCW
INITIALS INITIALS

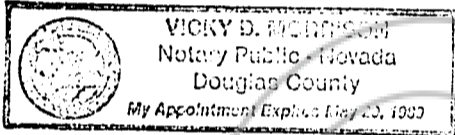
STATE OF NEVADA)
COUNTY OF Douglas) SS.

On April 7, 1986 personally appeared before me, a

Notary Public in and for said County and State, Gary B. Williams and Judy C. Williams

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.

Vicky D. Morrison
Notary Public



order no. 40025MVM

When recorded mail to: Valley Bank of Nevada
Reno Real Estate Dept.
P.O. Box 10927
Reno, NV 89510

ATTENTION: Bob Walter, Vice President

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ASSIGNMENT OF RENTALS AND LEASES

WHEREAS, Gary B. Williams and Judy C. Williams whose address is P.O. Box 1035, Gardnerville, NV 89410 hereinafter referred to as OWNER, is the present record owner or will be the record owner before the filing for record of this Assignment of the real estate; described on Exhibit "A" which is attached hereto and made a part hereof; hereinafter referred to as the PREMISES; which property is commonly known as _____ 1064 Riverview Dr., Gardnerville, NV 89410; and

WHEREAS, VALLEY BANK OF NEVADA, a Nevada Banking Corporation, hereinafter referred to as VALLEY BANK OF NEVADA, is about to become the owner and holder of a Deed of Trust or Mortgage Deed (hereinafter Deed of Trust) executed by OWNER covering said property, which Deed of Trust secures a promissory note, in the original principal amount *TWO HUNDRED TEN THOUSAND AND NO/100'S /100ths. DOLLARS (\$ *210,000.00* U.S.) and recorded in _____ Douglas County Records as File Number _____, and therein incorporated by reference; and

WHEREAS, VALLEY BANK OF NEVADA as a condition to granting the aforesaid secured loan (herein "secured loan" or "mortgage loan") has required the assignment of all rentals and leases of said property as additional security for said secured loan;

SECTION I

NOW THEREFORE, OWNER does hereby assign to VALLEY BANK OF NEVADA all of its right, title and interest in or under the following described lease or leases, all extensions, renewals, modifications or replacements thereof and any and all guarantees of the lessee's obligations under said lease or leases (any such lease or leases being listed below and hereinafter referred to collectively as LEASE or LEASES); and any and all of the rents, issues, royalties, income and profits of the aforesaid property. All rentals under the LEASES, as well as all other rents, issues, royalties, income and profits of the aforesaid property shall hereinafter collectively be referred to as INCOME. LEASES shall include any and all leases on the real estate herein described, or any portion thereof, now or hereafter made, executed, or delivered whether written or oral, shall automatically be deemed included in this Assignment.

SECTION II

OWNER further agrees to provide to VALLEY BANK OF NEVADA upon request within fifteen (15) days a current certified Rent Roll listing all leases, renewals, modifications, contracts, agreements and obligations in detail satisfactory to VALLEY BANK OF NEVADA including all tenants' names, descriptions of units or spaces including square footage, actual monthly rentals, common area charges, lease expiration dates, the number and length of renewal options, the amount of security deposits and legible photostatic copies of all of said leases, renewals, modifications, contracts, agreements, and obligations.

SECTION III

VALLEY BANK OF NEVADA agrees that OWNER shall have a license both to receive, collect and enjoy INCOME accruing under said LEASES and all other INCOME from the MORTGAGED PREMISES as such INCOME becomes due and to enforce the terms of any and all LEASES and agreements on the aforesaid MORTGAGED PREMISES. This license shall exist so long as OWNER is not in default of the terms, conditions or provisions of the promissory note, the Deed of Trust securing it, the construction loan agreement, if any, or this Assignment.

SECTION IV

OWNER hereby covenants and agrees with VALLEY BANK OF NEVADA that, upon the expiration of such license occasioned by a default of the terms, conditions or provisions of the promissory note, the Deed of Trust securing it, the construction loan agreement, if any, or this Assignment; OWNER, without the prior written consent of VALLEY BANK OF NEVADA will not cancel or permit the cancellation of the LEASES; accept any surrender of the LEASES; reduce the INCOME; modify

ASSIGNMENT OF RENTALS AND LEASES

the LEASES in any way, either orally or in writing; grant any concession in connection with said LEASES either orally or in writing; or consent either to an assignment of any lessee's interest in said LEASES or to any subletting.

SECTION V

At its option after the occurrence of a default as aforesaid, VALLEY BANK OF NEVADA may enter upon the PREMISES and, in the name of OWNER or in its own name, collect all INCOME accrued, unpaid and in arrears on the date of such default, as well as the INCOME thereafter accruing and becoming payable during the continuation of said default or any other default. The OWNER agrees that he will facilitate in all reasonable ways VALLEY BANK OF NEVADA's collection of said INCOME and will, within ten (10) days, upon the request of VALLEY BANK OF NEVADA execute and deliver a written notice to each tenant, lessee or obligor directing the tenant, lessee or obligor to pay INCOME to VALLEY BANK OF NEVADA when and as due. OWNER further agrees that each and every tenant, lessee or obligor shall pay INCOME to VALLEY BANK OF NEVADA without any obligation or right to inquire whether a default actually exists. OWNER shall have no right or claim against tenant, lessee or obligor for any INCOME so paid by tenant, lessee or obligor to VALLEY BANK OF NEVADA.

VALLEY BANK OF NEVADA at its option, may take but shall not be obligated to take any of the following steps upon such entry: assume the management, operation and maintenance of the PREMISES; perform all acts necessary and proper; expend sums from the INCOME of the PREMISES in the same manner and to the same extent as OWNER theretofore might; demand and sue for possession of the premises covered by the LEASES; and effect new leases, cancel or surrender existing LEASES, alter or amend the terms of existing LEASES, renew existing LEASES, or make concessions to tenants, lessees or obligors. OWNER hereby releases all claims against VALLEY BANK OF NEVADA arising out of such management, operation and maintenance, excepting the liability of VALLEY BANK OF NEVADA to account as hereinafter set forth. Should VALLEY BANK OF NEVADA incur liability by reason of its entry onto the PREMISES or sustain any other loss or damage under any LEASE, this Assignment, or in the defense of any claims or demands, OWNER, immediately upon demand, shall reimburse VALLEY BANK OF NEVADA for the amount of such loss or damage. VALLEY BANK OF NEVADA may retain any and all INCOME collected and apply it in reimbursement of such loss or damage.

After both payment of all proper charges and expenses, including reasonable attorney's fees incident to the collection of INCOME and reasonable compensation to such managing agent as VALLEY BANK OF NEVADA shall select and employ, an accumulation of the necessary reserves to meet taxes, assessments, water rents, fire and liability insurance premiums and life insurance premiums, if applicable, as such charges become due, VALLEY BANK OF NEVADA shall credit the net income received from the PREMISES under this Assignment to any amounts due and owing from OWNER under the terms of the Deed of Trust and the promissory note secured thereby. The determination of the necessary reserves and the application of net income shall be in the sole discretion of VALLEY BANK OF NEVADA. VALLEY BANK OF NEVADA shall neither be accountable for more monies than it actually receives from the PREMISES nor be liable for any failure to collect INCOME. VALLEY BANK OF NEVADA shall make reasonable efforts to collect INCOME, reserving within its own discretion the right to determine the method of collection, including prosecution, and the right to employ attorneys to effect collection.

If OWNER completely reinstates the secured loan in good standing, complying with all of the terms, covenants and conditions of the Deed of Trust and the promissory note secured thereby, the construction loan agreement, if applicable, and this Assignment, VALLEY BANK OF NEVADA shall within one (1) month after written demand, re-deliver possession of the MORTGAGED PREMISES to OWNER and direct all tenants, lessees or obligors to pay future INCOME to OWNER. OWNER shall remain in possession unless and until another default occurs, at which time VALLEY BANK OF NEVADA may, at its option, re-take possession of the PREMISES under authority of this Assignment.

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ASSIGNMENT OF RENTALS AND LEASES

SECTION VI

OWNER hereby covenants and warrants to VALLEY BANK OF NEVADA that at the time this Assignment is filed for record, he is the absolute OWNER of the LEASES with full right and title to assign the INCOME due or to become due thereunder; that the LEASES are valid and in full force and effect; that neither he nor any previous owner has executed a prior assignment or pledge either of the rentals or INCOME of the PREMISES or of the landlord's interest in any LEASE of the whole or any part of the PREMISES; that there are no existing defaults under the provisions of the LEASES on the part of any party; and that no INCOME payable under the LEASES has been anticipated, prepaid, discounted, released, waived, compromised or discharged except as expressly permitted by said LEASES. OWNER also hereby covenants and agrees not to collect the INCOME for the said MORTGAGED PREMISES in advance, other than as required by the terms of any LEASE, contract, obligation, rental agreement or royalty agreement, and further agrees not to do any other act which would destroy or impair the benefits to VALLEY BANK OF NEVADA of this Assignment.

The parties hereto do not intend that an entry by VALLEY BANK OF NEVADA upon the PREMISES under the terms of this Assignment shall constitute VALLEY BANK OF NEVADA a "mortgagee in possession" ("beneficiary under a Deed of Trust in Possession") in contemplation of law, except at the option of VALLEY BANK OF NEVADA.

Prior to actual entry and taking possession of the premises by VALLEY BANK OF NEVADA this Assignment shall not operate to place responsibility either for the control, care, management, or repair of the PREMISES upon VALLEY BANK OF NEVADA for the performance of any of the terms and provisions of any LEASE, contract, agreement or obligation.

SECTION VII

VALLEY BANK OF NEVADA shall have the right to assign its right, title and interest under this Assignment both to any subsequent holder of the subject mortgage and to any person acquiring title to the PREMISES through foreclosure or otherwise.

SECTION VIII

OWNER hereby irrevocably appoints VALLEY BANK OF NEVADA its successors and assigns, as its agent and attorney-in-fact to execute and deliver during the term of this Assignment any other instruments as VALLEY BANK OF NEVADA may deem necessary to make this Assignment and any further assignment effective.

This Assignment shall remain in full force and effect as long as the mortgage debt to VALLEY BANK OF NEVADA remains unpaid in whole or in part. It is understood and agreed that upon a full and complete release of the aforesaid mortgage deed, this Assignment shall be void and of no further effect. This Assignment shall continue in full force and effect, notwithstanding any variation, modification or extension of the terms of the Deed of Trust or the promissory note secured thereby, except for those releases stated above.

SECTION IX

The provisions of this Assignment shall bind OWNER and his or its legal representatives, successors or assigns, and VALLEY BANK OF NEVADA its successors or assigns.

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ASSIGNMENT OF RENTALS AND LEASES

Failure of VALLEY BANK OF NEVADA to avail itself of any of the terms, covenants and conditions of this Assignment shall not constitute a waiver thereof. The rights and remedies of VALLEY BANK OF NEVADA under this Assignment are cumulative and are not in lieu of, but are in addition to, any other rights and remedies which VALLEY BANK OF NEVADA shall have under the Deed of Trust, the promissory note, and any construction loan agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Assignment at _____, Nevada, this 1st day of April 1986.

OWNER:

By: Gary B. Williams
Gary B. Williams

By: Judy C. Williams
Judy C. Williams


VALLEY BANK OF NEVADA

By: David A. Newman
David A. Newman, Manager

STATE OF NEVADA)
COUNTY OF Douglas) SS:

Before me, a Notary Public in and for said County, personally appeared VALLEY BANK OF NEVADA by David A. Newman, its Manager, who acknowledged that he did sign this Assignment as such officer and in behalf of said corporation and by authority of its Board of Directors, and that said instrument is his free act and deed individually and as such officer and the free and corporate act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto subscribed my hand and affixed my official seal at Minden, Nevada this 7th day of April, 1986.

 ANNA TRONE
Notary Public - State of Nevada
Appointment Recorded In Douglas County
MY APPOINTMENT EXPIRES NOV. 2, 1987

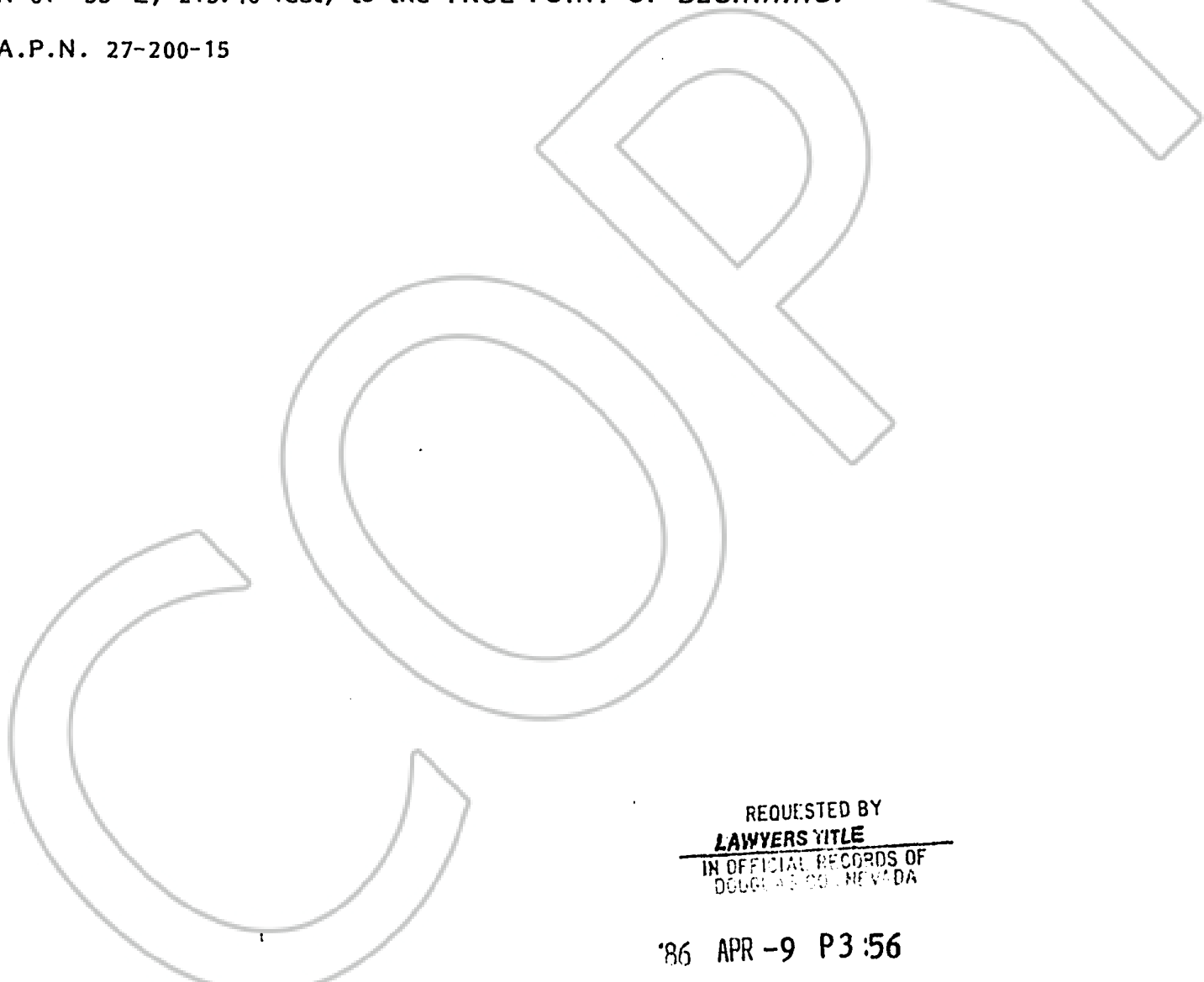
Anna Trone
Notary Public / Anna Trone
My commission expires November 2, 1987

EXHIBIT "A"

A parcel of land, located in the NE 1/4 of the SE 1/4 Section 10, T. 12 N., R. 20 E., M.D.B.&M., Douglas County, Nevada, more particularly described as follows:

Commencing at the Section corner common to Sections 3, 4, 9 and 10, in said Township, proceed S 61° 25'53" E, 3328.44 feet, to a point on the westerly right of way line of Nevada State Highway, Route US 395; thence S 45° 32' E, 2,401.09 feet, along said right of way line, to the TRUE POINT OF BEGINNING, which is the northern-most corner of the parcel; thence continue S 45° 32' E, 310.14 feet, along said right of way line, to its intersection with the northerly right of way line of Riverview Drive, a County Road; thence S 61° 33' W, 313.98 feet, along said northerly right of way line, to a point; thence N 41° 45'39" W, 231.10 feet, To a point; thence N 12° 44'21" E, 95.10 feet, to a point; thence N 61° 33' E, 213.46 feet, to the TRUE POINT OF BEGINNING.

A.P.N. 27-200-15



REQUESTED BY
LAWYERS TITLE
IN OFFICIAL RECORDS OF
DOUGLAS COUNTY, NEVADA

'86 APR -9 P3:56

SUZANNE DEANDREAU
RECORDER
\$11.00 PAID *[Signature]* DEPUTY

133216
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