

**DEED OF TRUST AND SECURITY AGREEMENT  
WITH ASSIGNMENT OF RENTS**

THIS DEED OF TRUST AND SECURITY AGREEMENT WITH ASSIGNMENT OF RENTS, hereinafter referred to as "Deed of Trust", made this 24<sup>th</sup> day of November, 1986, by and between WESDEV, INC., a Nevada corporation, Trustor and Debtor (hereinafter referred to as "Trustor"), and LAWYERS TITLE OF NORTHERN NEVADA, a Nevada corporation, Trustee, (hereinafter referred to as "Trustee"), and SOUTHERN BANKERS MORTGAGE CORP., a Texas corporation, Secured Party and Beneficiary (hereinafter referred to as "Beneficiary").

**W I T N E S S E T H:**

THAT TRUSTOR:

(a) Grants the following described real property to Trustee, in trust, with power of sale, to have and to hold the same unto Trustee and its successors in interest upon the trusts, covenants and agreements herein expressed.

(b) Grants a security interest in the following described personal property, which the Trustor now has or may hereafter acquire, to Beneficiary pursuant to the Nevada Uniform Commercial Code--Secured Transactions:

**DESCRIPTION OF COLLATERAL**

All that certain real property, and the interests therein, situate in the County of Douglas, State of Nevada, that is more particularly described on that certain exhibit marked "Exhibit A", affixed hereto and by this reference incorporated herein and made a part hereof, together with all buildings, structures and all other improvements and fixtures that are, or that may be hereafter, erected or placed thereon or therein, and all and singular the tenements, hereditaments and appurtenances thereunto belonging, or in any wise appertaining, and the rents, issues and profits thereof (subject, however, to the right, power and authority hereinafter given to or conferred upon Beneficiary to collect and apply such rents, issues and profits), and all the estate, right, title, property, possession, interest or other claim or demand, in law or in equity which Trustor now has or may hereafter acquire, in or to the said property, or any part thereof, with appurtenances.

Together with any and all other rights pertaining to or appurtenant to the said real property, and the interests of Trustor therein.

Together with all water rights and rights to the use of water that are now or that may be hereinafter used in connection with the said real property, or any part thereof, or any improvements or appurtenances thereto including, but not limited to all rights to water and sewer services from Indian Hills General Improvement District.

Together with Trustor's right, title and interest in and to all contract rights, general intangibles, instruments, receivables, reversionary interests, proceeds and products thereof relating to or in any manner connected with the water and sewer service agreements with Indian Hills General Improvement District together with all amendments and modifications thereof.

All piping, conduit, equipment, personal property, goods, construction materials and all other contents and materials of every kind and nature, that shall be owned or hereafter acquired, used in connection with the real property described on Exhibit A hereto, including machinery, materials and equipment now or which may hereafter be used in the construction or operation of such property, including, but not by way of limitation, lighting equipment and fixtures, piping, gas and electrical equipment, apparatus and fixtures, and irrigation and watering systems which are now or may hereafter be located at the property and all additions to, substitutions for renewals and proceeds of any of the foregoing, together with all attachments, substituted parts, accessories, accessions, improvements and replacements thereof, including the equity of Trustor in any such item that is subject to a purchase money or other prior security interest. (All such personal property, such additions, substitutions and proceeds being sometimes hereinafter collectively referred to as the "Project Personal Property".)

Together with Trustor's right, title and interest in and to all present and future chattel paper, accounts, general intangibles, documents, instruments and receivables and the proceeds and products thereof, including, but not limited to, leases, licenses, concessions, or similar agreements whether or not specifically herein described which now or may hereafter pertain to the foregoing property and all amendments to the same, including, but not limited to:

(a) All payments due and to become due under such leases, whether as rent, damages, insurance payments, condemnation awards, or otherwise;

(b) All claims, rights, powers, privileges and remedies of Trustor under such leases; and

(c) All rights of the Trustor under such leases to exercise any election or option, or to give or receive any notice, consent, waiver or approval, or to accept any surrender of the property or any part thereof, together with full power and authority in the name of the Trustor, or otherwise, to demand and receive, enforce, collect, or receipt for any or all of the foregoing, to endorse or execute any checks or any instruments or orders, to file any claims or to take any action which Beneficiary may deem necessary or advisable in connection therewith.

Together with all deposits, bills, cash, notes and accounts and charges receivable, credits, claims, securities and documents of all kinds, and all instruments, contract rights, general intangibles and all proceeds and products thereof on deposit with Beneficiary.

Together with all plans, specifications, soil reports, engineering reports, land planning maps, surveys, and any other reports, exhibits or plans used or to be used in connection with the construction, planning, operation or maintenance of the subject property, together with all amendments and modifications thereof.

FOR THE PURPOSE OF SECURING:

First: Payment of the principal sum of \$3,300,000.00, together with interest thereon, according to the terms of a Promissory Note of even date herewith made by Trustor payable to the order of Beneficiary, according to the tenor and effect of said Promissory Note, and all renewals, extensions, modifications of and substitutions for said Promissory Note.

Second: Payment of the principal sum of \$300,000, together with interest thereon, according to the terms of a Revolving Credit Note of even date herewith made by Trustor payable to the order of Beneficiary, according to the tenor and effect of said Revolving Credit Note, and all renewals, extensions, modifications of and substitutions for said Revolving Credit Note.

Third: Payment of any future advance, which may be made at the option of Beneficiary, in a maximum amount not to exceed Five Hundred Thousand and No/100 Dollars (\$500,000) as governed by Chapter 106 of the Nevada Revised Statutes Sections 106.300 through 106.400, et. seq.

Fourth: Payment and performance of every obligation, covenant, promise and agreement of Trustor herein contained or incorporated herein by reference, including any sums paid or advanced by Beneficiary pursuant to the terms hereof and all obligations under the Loan Agreement and any other security instrument executed in connection herewith.

Fifth: The expenses and costs incurred or paid by Beneficiary in the preservation and enforcement of the rights and remedies of Beneficiary and the duties and liabilities of Trustor hereunder, including, but not by way of limitation, attorney's fees, court costs, witness fees, expert witness fees, collection costs, and costs and expenses paid by Beneficiary in performing for Trustor's account any obligation of said Trustor.

Sixth: Payment of additional sum and interest thereon which may hereafter be loaned to Trustor when evidenced by a promissory note or notes reciting that this Deed of Trust is security therefor.

Seventh: Performance of every obligation, covenant, agreement and promise of Trustor contained in that certain Loan Agreement executed by Trustor and Beneficiary concurrently herewith (hereinafter the "Loan Agreement") or any other agreement executed in connection with the Loan Agreement.

AND THIS INDENTURE FURTHER WITNESSETH:

1. Trustor agrees to properly care for and keep said property in good condition and repair; to complete in a good and workmanlike manner any building which may be constructed thereon, and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws, ordinances and regulations relating to any alterations or improvements made thereon provided, however, that Trustor may contest in good faith the validity or enforcement of such laws, ordinances and regulations; not to commit or permit any waste thereof; not to commit, suffer or permit any act to be done in or upon said property in violation of any law, covenant, condition or restriction affecting said property; to cultivate, irrigate, fertilize, fumigate, prune and/or do any other act or acts, all in a timely and proper manner, which, from the character or use of said property, may be reasonably necessary, the specific enumerations herein not excluding the general.

2. Trustor agrees to pay and discharge all costs, fees and expenses of this trust incurred in connection with any default by Trustor.

3. During the continuance of this trust, Trustor covenants to keep all buildings that may now or at any time be on said property in good repair and insured against loss by fire, earthquake, and hazard

insurance with extended coverage endorsement, in a company or companies authorized to issue such insurance in the State of Nevada. Said insurance shall be in such sum or sums as shall equal the total indebtedness secured by this Deed of Trust and all obligations having priority over this Deed of Trust, or the full replacement value of such buildings, whichever is less (such policies shall not contain a co-insurance provision whereby Borrower in the event of loss becomes a co-insurer). Said insurance shall be payable to Beneficiary to the amount of the unsatisfied obligation to Beneficiary hereby secured. A copy of the policy or policies of said insurance, together with the original Mortgagee's Certificate, shall be delivered to Beneficiary or to the collection agent of Beneficiary, as further security, and in default thereof, Beneficiary may procure such insurance and/or make such repairs, and expend for either of such purposes such sum or sums as Beneficiary shall deem necessary. The amount collected by Beneficiary under any fire or other insurance policy may be applied by Beneficiary upon the indebtedness secured hereby and in such order as Beneficiary may determine in its sole discretion, or, at the exclusive option of Beneficiary, the entire amount so collected, or any part thereof, may be released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

4. Trustor covenants to pay before default or delinquency: (i) all taxes and assessments affecting said property, or any part thereof, (ii) all liens, encumbrances, charges and claims, with interest, on said property, or any part thereof; and (iii) all costs, fees and expenses of this trust; provided, however, (i) that Trustor may contest in good faith the validity or amount of any such tax, assessment, claim or charge by appropriate proceedings provided by law, including payment thereof under protest, if required, (ii) that upon final determination with respect to any such contested tax, assessment or governmental charge, Trustor will promptly pay any sums found to be due thereon, and (iii) that prior to any such contest Trustor shall furnish Beneficiary a cash deposit or other security in an amount and form satisfactory to Beneficiary to indemnify Beneficiary against sale or forfeiture of, or creation of a lien against, the property, and such deposit or other security shall be returned to Trustor upon final payment by Trustor of such charge or lien, or upon final resolution of such contest in favor of Trustor resulting in no imposition of lien against the property. In default thereof, Beneficiary may, on five (5) days written notice to Trustor, pay the same, and Beneficiary shall be sole judge of the legality or validity of such taxes, assessments, charges or encumbrances, and the amount necessary to be paid in satisfaction or discharge thereof.

5. As additional security, Trustor assigns to Beneficiary the lessor's interest in any and all leases of said property, or any portion thereof, now or hereafter entered into by Trustor and gives to and confers upon Beneficiary the right, power and authority during the continuation of this trust, to collect the rents, issues and profits of said property, reserving unto Trustor the right prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any obligation or agreement hereunder, to collect and retain such rents, issues and profits as they may become due and payable. Upon any Event of Default as defined in the Loan Agreement, Beneficiary may, at any time, by a receiver to be appointed by a court, enter upon and take possession of said property, or any part thereof, sue for or otherwise collect such rents, issues and profits, including those past due or unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness and/or obligations secured hereby, and in such order as Beneficiary may determine. The entering upon and taking

possession of said property, or any part thereof, the collection of such rents, issues and profits or the application thereof as aforesaid, shall not cure or constitute a waiver of any default or notice of default hereunder or invalidate any act done pursuant to such notice.

6. Should the Trustor fail to make any payment or perform any act which it is obligated to make or perform hereby, then the Trustee, or Beneficiary, at the election of either of them, on five (5) days' written notice to the Trustor, or any successor in interest of the Trustor, or any of them and without releasing Trustor from any obligation hereunder, 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 an annual percentage rate equal to the Default Rate expressed on the Promissory Note secured hereby. In no event shall payment by Trustee or Beneficiary be construed as a waiver of the default occasioned by Trustor's failure to make such payment or payments.

7. Any award of damages in connection with any condemnation for public use of, or injury to said property, or any part thereof, is hereby assigned and shall be paid to Beneficiary, who may apply or release such moneys received by him in the same manner and with the same affect as herein provided for disposition of proceeds of insurance in section 3 hereof.

8. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right either to require prompt payment, when due, of all other sums so secured or to declare default, as herein provided, for failure to so pay.

9. At any time, and from time to time, without liability therefor and without notice to Trustor, upon written request of Beneficiary and presentation of this Deed of Trust and each of the Notes secured hereby for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby or the effect of this Deed of Trust upon the remainder of said property, Trustee may: reconvey any part of said property; consent in writing to the making of any map or plat thereof; join in granting any easement thereon, or join in any extension agreement or subordination agreement in connection herewith.

10. Except as otherwise permitted in the Loan Agreement, if the Borrower shall sell, assign, contract for delivery of a deed, convey or transfer any real property encumbered by this Deed of Trust or any part thereof or shall be divested of its title in any manner or way, whether voluntary or involuntary, or by merger, without the written consent of Lender being first had and obtained which consent shall not be unreasonably withheld, all indebtedness secured hereby, irrespective of the maturity dates expressed therein, at the option of Lender, without demand or notice, shall immediately become due and payable.

11. In the event the Trustor sells or otherwise disposes of all or any portion of the property encumbered hereby and Beneficiary does not accelerate the indebtedness secured hereby, the new owner shall assume all the obligations of this Deed of Trust and the obligations which it secures and Beneficiary shall be entitled to make a charge

equal to 1% of the remaining unpaid balance of the aggregate principal owing under the Notes hereby secured.

12. Upon receipt of written request from Beneficiary reciting that all sums secured hereby have been paid and upon surrender of this Deed of Trust and the Notes secured hereby to Trustee for cancellation and retention, or such other disposition as Trustee, in its sole discretion, may choose, and upon payment of its fees, the Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters of fact shall be conclusive proof of the truth thereof. The Grantee in such reconveyance may be described in general terms as "the person or persons legally entitled thereto".

13. Should Trustor default in the payment of any indebtedness secured hereby for a period of more than fifteen (15) days after the date upon which such payment is due or in the performance of any of the covenants and agreements herein contained for a period of more than thirty (30) days after notice to Trustor of such default or incorporated herein by reference beyond the applicable grace periods, Beneficiary may declare all sums secured hereby immediately due and payable.

A default by Trustor upon any term of this Deed of Trust or any note it secures beyond the applicable grace periods shall be deemed a default upon all notes secured hereby and shall entitle Beneficiary to all remedies provided herein, including, but not limited to, the right to demand payment in full upon the Notes secured hereby and the right to declare an acceleration of the unpaid balance of the Notes secured hereby.

14. If, during the existence of the trust, there be commenced or pending any suit or action affecting the encumbered property, or any part thereof, or the title thereto, or if any adverse claim for or against the property, or any part thereof, be made or asserted, the Trustee or Beneficiary may appear or intervene in the suit or action and retain counsel therein and defend same, or otherwise take such action therein as they may be advised, and may settle or compromise same or the adverse claim upon five (5) days' notice to Trustor, provided, however, that Trustor shall have the right to participate in any discussion involving such settlement or compromise; and in that behalf and for any of the purposes may pay and expend such sums of money as the Trustee or Beneficiary may reasonably deem to be necessary. All such sums incurred or expended by Trustee or Beneficiary under the provisions of this paragraph 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 an annual percentage rate equal to the Default Rate expressed in the Promissory Note secured hereby.

15. If default be made in the performance of the obligation, or in the payment of the debt, or interest thereon, or any part thereof, or in the payment of any of the other moneys agreed to be paid, or of any interest thereon, or if any of the conditions or covenants in this Deed of Trust be violated, beyond any applicable notice and cure period, and if the notice of breach and election to sell, required by Chapter 107 of the Nevada Revised Statutes, be first recorded, then Trustee, its successors or assigns, on demand by Beneficiary, shall sell the property, in order to accomplish the objects of these trusts, in the manner following, namely:

The Trustee shall first give notice of the time and place of such sale, in the manner provided by the laws of this State for the sale of

real property under execution, and may from time to time postpone such sale by such advertisement as it may deem reasonable, or without further advertisement, by proclamation made to the persons assembled at the time and place previously appointed and advertised for such sale, and on the day of sale so advertised, or to which such sale may have been postponed, the Trustee may sell the property so advertised, at public auction, at the time and place specified in the notice, either in the county in which the property, or any part thereof, to be sold, is situated, or at the principal office of the Trustee, in its discretion, to the highest cash bidder. The beneficiary, obligee, creditor, or the holder or holders of the promissory note or notes secured thereby may bid and purchase at such sale. The Beneficiary may, after recording the notice of breach and election, waive or withdraw the same or any proceedings thereunder, and shall thereupon be restored to its former position and have and enjoy the same rights as though such notice had not been recorded.

16. The Trustee, upon such sale, shall make (without warranty), execute and, after due payment made, deliver to purchaser or purchasers, his or their heirs or assigns, a deed or deeds or bill of sale of the property so sold which shall convey to the purchaser all the title of the Trustor in the trust property, and shall apply the proceeds of the sale thereof in payment, firstly, of the expenses of such sale, together with the reasonable expenses of the trust, including counsel fees, in a reasonable amount, which shall become due upon any default made by Trustor in any of the payments aforesaid; and also such sums, if any, as Trustee or Beneficiary shall have paid for procuring an appraisal, a Trustee's Sale Guarantee and a search of the title to the property, or any part thereof, subsequent to the execution of the deed of trust; and in payment, secondly, of the obligations or debts secured, and interest thereon then remaining unpaid, and the amount of all other moneys with interest thereon herein agreed or provided to be paid by Trustor; and the balance or surplus of such proceeds of sale it shall pay to Trustor, its successor or assigns.

17. In the event of a sale of the property conveyed or transferred in trust, or any part thereof, and the execution of a deed or deeds or bill of sale therefor under such trust, the recital therein of 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 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; and any such deed or deeds with such recitals therein shall be effectual and conclusive against Trustor, its successors and assigns, and all other persons; 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.

18. The Beneficiary or assigns may, from time to time, appoint another Trustee, or Trustees, to execute the trust created by this Deed of Trust or other conveyance in trust. An instrument executed and acknowledged by the Beneficiary shall be conclusive proof of the proper appointment of such substituted Trustee. Upon the recording of such executed and acknowledged instrument, the new Trustee or Trustees shall be vested with all the title, interest, powers, duties and trusts in the property vested in or conferred upon the original Trustee. If there be more than one Trustee, either may act alone and execute the trusts upon the request of the Beneficiary, and all its

acts thereunder shall be deemed to be the acts of all Trustees, and the recital in any conveyance executed by such sole Trustee of such request shall be conclusive evidence thereof, and of the authority of such sole Trustee to act.

19. Trustor agrees to pay any deficiency arising from any cause after application of the proceeds of the sale held in accordance with the provisions of the covenants hereinabove adopted by reference.

20. This Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors, and assigns. It is expressly agreed that the Trust created hereby is irrevocable by Trustor so long as any obligation secured hereby remains outstanding.

21. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural. Except as may be qualified herein and unless the context so requires otherwise for clarity and logic, the term "property" shall include real and personal property and the term "building" includes a mobile home. The term "Beneficiary" includes any future holder of the notes secured hereby. The term "Trustor" includes the term "Grantor".

22. The rights and remedies of Beneficiary upon the occurrence of one or more defaults by Trustor (whether such rights and remedies are conferred by statute, by rule of law, by this Deed of Trust, or otherwise) may be exercised by Beneficiary, in the sole discretion of Beneficiary, either alternatively, concurrently, or consecutively in any order. The exercise by Beneficiary, or Trustee at the express direction of Beneficiary, of any one or more of such rights and remedies shall not be construed to be an election of remedies nor a waiver of any other rights and remedies Beneficiary might have unless, and limited to the extent that, Beneficiary shall so elect or so waive by an instrument in writing delivered to Trustee. Without limiting the generality of the foregoing, to the extent that this Deed of Trust covers both real and personal property, Beneficiary may, in the sole discretion of Beneficiary, either alternatively, concurrently, or consecutively in any order:

(a) Proceed as to both the real and personal property in accordance with Beneficiary's rights and remedies in respect to the real property; or

(b) Proceed as to the real property in accordance with Beneficiary's rights and remedies in respect to the real property and proceed as to the personal property in accordance with Beneficiary's rights and remedies in respect to the personal property.

Beneficiary may, in the sole discretion of Beneficiary, appoint Trustee as the agent of Beneficiary for the purpose of disposition of the personal property in accordance with the Nevada Uniform Commercial Code--Secured Transactions.

If Beneficiary should elect to proceed as to both the real and personal property collateral in accordance with Beneficiary's rights and remedies in respect to real property:

(a) All the real property and all the personal property may be sold, in the manner and at the time and place provided in this Deed of Trust, in one lot, or in separate lots consisting of any combination or combinations of real and personal property, as the Beneficiary may elect, in the sole discretion of Beneficiary.



(b) Trustor acknowledges and agrees that a disposition of the personal property collateral in accordance with Beneficiary's rights and remedies in respect to real property, as hereinabove provided, is a commercially reasonable disposition of the personal property collateral.

If Beneficiary should elect to proceed as to the personal property collateral in accordance with Beneficiary's rights and remedies in respect to personal property, Beneficiary shall have all the rights and remedies conferred on a secured party by NRS 104.9501 to NRS 104.9507, both inclusive.

23. Trustor hereby appoints Beneficiary the attorney-in-fact of Trustor to prepare, sign, file and record one or more financing statements; any documents of title or registration, or like papers, and to take any other action reasonably deemed necessary, useful or desirable by Beneficiary to perfect and preserve Beneficiary's security interest against the rights or interests of third persons.

24. This Deed of Trust has been executed pursuant to and is subject to the terms of that certain Loan Agreement executed by Trustor and Beneficiary concurrently herewith and Trustor agrees to observe and perform all provisions contained therein.

25. The invalidity or unenforceability of any one or more provisions of this Deed of Trust will not affect any other provision.

IN WITNESS WHEREOF, Trustor has executed this instrument the day and year first above written.

DEBTOR and TRUSTOR:

WESDEV, INC.,  
Nevada corporation,

BENEFICIARY and SECURED PARTY:

SOUTHERN BANKERS MORTGAGE a  
CORP., a Texas corporation,

By *Preston Kerr*  
PRESTON KERR  
Its *P. Kerr*

By *L.C. Milberger*  
L.C. MILBERGER  
Its *President*

STATE OF NEVADA )  
                                  ) ss  
County of WASHOE )

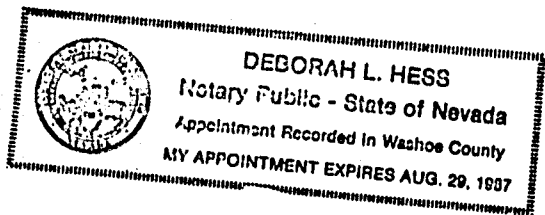
On this 24<sup>th</sup> day of November, 1986, personally appeared before me, a Notary Public, PRESTON KERR, who acknowledged that (s)he executed the foregoing instrument.

*Deborah L. Hess*  
Notary Public



STATE OF NEVADA )  
                          ) ss  
County of WASHOE)

On this 24<sup>th</sup> day of November, 1986, personally appeared before me, a Notary Public, L.C. MILBERGER, who acknowledged that (s)he executed the foregoing instrument.



Deborah L Hess  
Notary Public

COPY

PARCEL ONE:

All those certain lot, piece or parcel of land situate in the County of Douglas, State of Nevada, described as follows:

All those portions of said land lying within the interior boundaries of the Plat of Sunridge Heights Unit 1, Phase A, recorded December 15, 1982, at Page 999 of Official Records, Douglas County, Nevada as Document No. 74054.

PARCEL TWO:

A parcel of land located within portions of Sections 7 and 8, Township 14 North, Range 20 East, Mount Diablo Baseline and Meridian, Douglas County, Nevada, described as follows:

Commencing at the Northwest Corner of Sunridge Heights Unit 1, Phase A Subdivision as shown on the Official Plat and recorded in Book 1282 on Page 999 as Document No. 74054, Douglas County, Nevada, Recorder's Office, the POINT OF BEGINNING; thence South 88° 54' 16" East, 110.00 feet; thence North 80° 43' 15" East, 61.00 feet; thence South 88° 54' 16" East, 220.00 feet; thence North 79° 47' 08" East, 50.99 feet; thence South 88° 54' 16" East, 100.00 feet; thence South 79° 15' 45" East, 116.52 feet; thence South 68° 17' 28" East, 50.06 feet; thence South 65° 44' 16" East, 115.53 feet; thence South 54° 25' 40" East, 50.99 feet; thence South 65° 44' 16" East, 240.00 feet; thence South 30° 44' 45" East, 61.03 feet; thence South 65° 44' 16" East, 105.00 feet; thence South 24° 15' 44" West, 285.00 feet; thence South 65° 44' 16" East, 482.50 feet; thence North 24° 15' 44" East, 136.00 feet; thence South 65° 44' 16" East, 400.00 feet; thence South 24° 15' 44" West, 1,093.55 feet; thence West 99.24 feet; thence North 57° 45' 16" West, 750.00 feet; thence North 32° 14' 44" East, 80.00 feet; thence North 57° 45' 16" West, 55.00 feet; thence along the arc of a curve to the right, having a delta angle of 18° 00' 00", a radius of 632.50 feet, and an arc length of 198.71 feet; thence North 39° 45' 16" West, 50.00 feet; thence along the arc of a curve to the left having a delta angle of 13° 37' 31" a radius of 662.50 feet, and an arc length of 157.55 feet; thence North 53° 22' 47" West, 25.00 feet; thence North 36° 37' 13" East, 88.68 feet; thence along the arc of a curve to the left having a delta angle of 90° 50' 12", a radius of 20.00 feet, and an arc length of 31.71 feet; thence along the arc of a curve, tangent to the preceding curve, having a delta angle of 32° 09' 48", a radius of 772.50 feet, and an arc length of 433.65 feet; thence North 88° 54' 16" West, 90.00 feet; thence North 1° 05' 44" East, 780.00 feet to the POINT OF BEGINNING,

Excepting therefrom that portion of Sunridge Heights Unit 1, Phase A and recorded in Book 1282 on Page 999 as Document No. 74054, Douglas County, Nevada, Recorder's Office.

PARCEL THREE: \_\_\_\_\_

All that certain lot, piece or parcel of land situate in the County of Douglas, State of Nevada, described as follows:

A parcel of land located within portions of Sections 7, 8, 17 and 18, Township 14 North, Range 20 East, Mount Diablo Baseline and Meridian, Douglas County, Nevada, described as follows:

Commencing 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, THE POINT OF BEGINNING; 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 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 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. 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.

EXCEPT THEREFROM that portion of said land more particularly described as follows;

A parcel of land located within portions of Sections 7 and 8, Township 14 North, Range 20 East, Mount Diablo Baseline and Meridian, Douglas County, Nevada, described as follows:

Commencing at the Northwest Corner of Sunridge Heights Unit 1, Phase A Subdivision as shown on the Official Plat and recorded in Book 1282 on Page 999 as Document No. 74054, Douglas County, Nevada, Recorder's Office, the POINT OF BEGINNING; thence South  $88^{\circ}54'16''$  East, 110.00 feet; thence North  $80^{\circ}43'15''$  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, 115.53 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; thence South  $24^{\circ}15'44''$  West, 285.00 feet; thence South  $65^{\circ}44'16''$  East, 482.50 feet; thence North  $24^{\circ}15'44''$  East, 136.00 feet; thence South  $65^{\circ}44'16''$  East, 400.00 feet; thence South  $24^{\circ}15'44''$  West, 1,093.55 feet; thence West 99.24 feet; thence North  $57^{\circ}45'16''$  West, 750.00 feet; thence North  $32^{\circ}14'44''$  East, 80.00 feet; thence North  $57^{\circ}45'16''$  West, 55.00 feet; thence along the arc of a curve to the right, having a delta angle of  $18^{\circ}00'00''$ , a radius of 632.50 feet, and an arc length of 198.71 feet; thence North  $39^{\circ}45'16''$  West, 50.00 feet; thence along the arc of a curve to the left having a delta angle of  $13^{\circ}37'31''$  a radius of 662.50 feet, and an arc length of 157.55 feet; thence North  $53^{\circ}22'47''$  West, 25.00 feet; thence North  $36^{\circ}37'13''$  East, 88.68 feet; thence along the arc of a curve to the left having a delta angle of  $90^{\circ}50'12''$ , a radius of 20.00 feet, and an arc length of 31.71 feet; thence along the arc of a curve, tangent to the preceding curve, having a delta angle of  $32^{\circ}09'48''$ , a radius of 772.50 feet, and an arc length of 433.65 feet; thence North  $88^{\circ}54'16''$  West, 90.00 feet; thence North  $1^{\circ}05'44''$  East, 780.00 feet to the POINT OF BEGINNING.

Further excepting there from that portion of said land, more particularly described as follows;

All those portions of said lying within the interior boundaries of the Plat of Sunridge Heights Unit 1, Phase A, recorded December 15, 1982, at Page 999 of Official Records, Douglas County, Nevada as Document No. 74054.

PARCEL FOUR:

A parcel of land located within portions of Sections 7, 8, 17, and 18 all in Township 14 North, Ranch 20 East, Mount Diablo Baseline and Meridian, Douglas County, Nevada, described as follows:

Section 7: The Southeast one-quarter of the Northeast one-quarter (SE 1/4 NE 1/4), the Northeast one-quarter of the Southeast one-quarter (NE 1/4 SE 1/4), the Southeast one-quarter of the Southeast one-quarter (SE 1/4 SE 1/4).

Section 8: The Southwest one-quarter of the Northwest one-quarter (SW 1/4 NW 1/4), the Southeast one-quarter of the Northwest one-quarter (SE 1/4 NW 1/4), the Southwest one-quarter of the Northeast one-quarter (SW 1/4 NE 1/4), the Southeast one-quarter of the Northeast one-quarter (SE 1/4 NE 1/4), the Northeast one-quarter of the Southwest one-quarter (NE 1/4 SW 1/4), the Northwest one-quarter of the Southwest one-quarter (NW 1/4 SW 1/4), the Northwest one-quarter of the Northwest one-quarter of the Southeast one-quarter (NW 1/4 NW 1/4 SE 1/4), the Southwest one-quarter of the Southwest one-quarter (SW 1/4 SW 1/4), the Southeast one-quarter of the Southwest one-quarter (SE 1/4 SW 1/4).

Section 17: The Northwest one-quarter of the Northwest one-quarter (NW 1/4 NW 1/4), the West one-half of the Northeast one-quarter of the Northwest one-quarter (W 1/2 NE 1/4 NW 1/4), the West one-half of the Southwest one-quarter of the Northwest one-quarter (W 1/2 SW 1/4 NW 1/4), the Northwest one-quarter of the Northwest one-quarter of the Southwest one-quarter (NW 1/4 NW 1/4 SW 1/4).

Section 18: The Northeast one-quarter of the Northeast one-quarter (NE 1/4 NE 1/4), the Northeast one-quarter of the Southeast one-quarter (NE 1/4 SE 1/4), the Southwest one-quarter of the Southeast one-quarter (SW 1/4 SE 1/4), the Northwest one-quarter of the Southeast one-quarter of the Southeast one-quarter (NW 1/4 SE 1/4 SE 1/4).

Excepting therefrom that portion lying West of the Easterly right-of-way of U.S. 395 as reserved for Federal Highway under the Act of November 9, 1921, as recorded in Book 3 of Patents, Page 259, Douglas County, Nevada, Recorder's Office.

Excepting therefrom that portion lying East of the Minden Branch of the Virginia and Truckee Railroad, as conveyed by the H.F. Dangberg Land and Livestock Company and recorded in Book 0 of Deeds on Page 80, Douglas County, Nevada, Recorder's Office.

And further excepting therefrom;

A parcel of land located within portions of Sections 7, 8, 17, and 18 all in Township 14 North, Ranch 20 East, Mount Diablo Baseline and Meridian, Douglas County, Nevada, described as follows:

Commencing 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, THE POINT OF BEGINNING; 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 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 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. 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.

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