

WHEN RECORDED MAIL TO:
 Stephen V. Novacek, Esq.
 Hale, Lane, Peek, Dennison
 and Howard
 50 W. Liberty St., Suite 650
 P. O. Box 3237
 Reno, NV 89505

COLLATERAL ASSIGNMENT OF
LEASES AND RENTS

THIS ASSIGNMENT, made this 3RD day of MARCH, 1987, by TOPAZ LODGE ENTERPRISES, a general partnership, ("Assignor") to NEVADA NATIONAL BANK, a national banking association, having its principal place of business in the City of Reno, Nevada, as Assignee ("Assignee"),

W I T N E S S E T H :

WHEREAS, Assignor to evidence and secure a loan ("the Loan"), has made and delivered to Assignee a promissory note of even date herewith (the "Note") in the principal amount of \$900,000.00, payable monthly, with interest as therein expressed, and has executed and delivered a Deed of Trust and Security Agreement with Assignment of Rents ("Deed of Trust") bearing the aforesaid date to secure the Note and creating a lien on Assignor's interest in certain real property situate in Douglas County, Nevada, more particularly described in Exhibit "A" attached hereto and by this reference made a part hereof, including the improvements now or hereafter constructed thereon and the easements, rights and appurtenances thereunto belonging, all of which are hereinafter called the "Premises"; and

WHEREAS, Assignee has required the assignment hereafter made as a condition to making the above loan;

NOW, THEREFORE, for value received, Assignor hereby grants, transfers, assigns, and sets over to Assignee all rents, issues, and profits of and from the Premises, and (2) in and to all leases ("leases") now or hereafter existing, of all or any part of the Premises.

Without limiting the generality of the foregoing, it is agreed as follows:

1. Assignor grants, transfers, and assigns to Assignee all assignor's right, title, and interest in and to the leases and in and to the right to use and possess the Premises, including any

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and all of the rents, issues, profits now due or which may hereafter become due under and by virtue of any lease whether written or oral, or any letting or any agreement for the use or occupancy of any part of the Premises which may heretofore have been or which may hereafter be made or agreed to between the Assignor or which may be made or agreed to by the Assignee its successors or assigns, under the powers herein granted and any tenant or occupant of all or any part of the Premises for the purposes of securing:

(a) Payment of the Note and any extensions, modifications, or renewals thereof.

(b) Payment of all other sums with interest thereon becoming due and payable to Assignee under the terms hereof and as set forth in the Note and Deed of Trust.

(c) Performance and discharge of each and every term, provision, condition, obligation, covenant, and agreement of Assignor herein and as set forth in the Note, the Deed of Trust, the Loan Agreement and other loan documents executed in connection with the Loan.

2. Assignor represents that (a) Assignor is the lessor under the terms and provisions of the existing lease, either as the named lessor or as successor in interest to the named lessor; (b) the existing leases are not in default; (c) Assignor is entitled to receive all the rents, issues and profits and to enjoy all the rents and benefits mentioned herein and assigned hereby; (d) the same have not been heretofore sold, assigned, transferred or set over by any instrument now in force and will not at any time during the term of the Loan be sold, assigned, transferred, or set over by Assignor or any other person or persons taking under or through Assignor, except subject to this assignment; and (e) Assignor has the sole right to sell, assign, transfer, and set over the same and to grant and confer upon Assignee the rights, interests, powers, and authorities herein granted and conferred.

3. Assignor will from time to time execute any and all instruments requested by Assignee in order to effectuate this assignment and to accomplish any of the purposes that are necessary or appropriate in connection with this assignment including without limitations, specific assignments of any lease or agreement relating to the use and occupancy of the Premises or to any part thereof now or hereafter in effect and not specifically defined herein as an existing lease, as may be necessary or desirable in Assignee's opinion in order to constitute the same an existing lease hereunder.

4. This assignment shall in no way operate to restrict or prevent Assignee from pursuing any remedy which it may now or hereafter have because of any present or future breach of the terms or conditions of the Note, the Deed of Trust, the Loan Agreement or other loan documents.

5. Assignee shall not in any way be responsible for any failure to do any or all of the things for which the rights, interests, power, and authority are herein granted; and Assignee shall not be responsible for or liable under any of the agreements undertaken or obligations imposed upon the lessor under the leases or other agreements with respect to the Premises.

6. Assignee shall be accountable only for such cash as it receives under the terms of this assignment.

7. Assignee's failure to do any of the things or exercise any of the rights, interests, powers, and authority granted hereunder shall not be construed as a waiver of any of the rights, interests, powers, or authorities assigned and granted to the Assignee under this assignment.

8. Assignee may assign this assignment and the rights accruing hereunder to any subsequent assignee and holder of the Note and Deed of Trust.

9. The parties agree that this assignment is effective as of the date hereof, and that upon demand made by the Assignee on the lessee under the leases or on any person liable for any of the rents, issues, and profits of and from the Premises or any part thereof, such lessee or person liable for any of such rents, issues, and profits shall, and is hereby authorized and directed to pay to or upon Assignee's order, and without any inquiry of any nature, all rents then or thereafter accruing under the leases or any other instrument or agreement, oral or written, granting rights to, and creating an obligation to pay, rents, issues, or profits in connection with the Premises.

10. As long as Assignor is not in default in the payment of any indebtedness secured hereby, or in the performance of any obligation, covenant, or agreement contained herein or in the Note, the Deed of Trust, the Loan Agreement or other loan documents executed in connection with the Loan, Assignee agrees not to demand from any lessee under the leases or from any other persons liable therefor, any of the rents, issues, or profits hereby assigned but shall permit Assignor to collect all such rents, issues, and profits from the Premises and the leases on but not prior to accrual and to retain and enjoy the same, provided, however, that notwithstanding the provisions of this section, all lessees under the leases and all persons liable for rents, issues, and profits of and from the Premises shall comply with any demands

for rents made by Assignee pursuant to the provisions of this assignment without reference to whether or not the same is made in accordance with this section.

11. Upon or at any time after default in the payment of any indebtedness evidenced by the Note or secured by the Deed of Trust, or in the performance of any term, provision, condition, obligation, covenants, or agreement contained herein or in the Note, the Deed of Trust, the Loan Agreement or other loan documents executed in connection with the Loan, and after the expiration of any period of grace, if any, with respect to any such default provided for in the Note, or Deed of Trust, Assignee may declare all sums secured hereby immediately due and payable any may, at the Assignee's option, without notice, either in Assignee's person or by agent and with or without bringing any action or proceeding, or by any receiver to be appointed by a court enter upon, take possession of, and manage and operate the Premises and each and every part thereof, and in connection therewith, Assignee may make, cancel, endorse, and modify leases (including the existing lease); fix or modify rents; repair, maintain, and improve the Premises; employ contractors, subcontractors, and workmen in and about the Premises; obtain and evict tenants; in its own name, sue for or otherwise collect or reserve any and all rents, issues, and profits, including those past due and unpaid; employ leasing agents, managing agents, attorneys, and accountants in connection with the enforcement of Assignee's rights hereunder and pay the reasonable fees and expenses thereof; and otherwise do and perform any and all acts which Assignee may deem necessary and appropriate in and about the Premises for the protection thereof and of the Assignee's rights hereunder or under the Note and Deed of Trust, and any and all amounts expended by Assignee in connection with the foregoing shall constitute an additional indebtedness secured hereby. Assignee shall apply any moneys collected by Assignee, as aforesaid, less costs and expenses incurred, as aforesaid, upon any indebtedness secured hereby in such order and manner as Assignee may determine. The entering upon and taking possession of the Premises; the collection of rents, issues, and profits; the exercise of any rights hereinabove specified; and the application of collections, as aforesaid, shall not cure, waiver, modify, or affect any default hereunder or under the Note and Deed of Trust.

12. All tenants or occupants of any part of the Premises (including, without limitation, all persons claiming any interest as lessee under the existing lease) are hereby authorized to recognize the claims and demands of Assignee without investigation as to the reason for any action taken by Assignee or the validity or the amount of indebtedness owing to Assignee or the existence of any default hereunder or under the Note, the Deed of Trust, the Loan Agreement or other loan documents executed in connection with

the Loan, or the application to be made by Assignee, of any amounts to be paid to Assignee. Assignee's sole signature shall be sufficient for the exercise of any right under this assignment and Assignee's sole receipt given for any sums received shall be a full discharge and release therefor as to any such tenant or occupant of the Premises. Checks for all or any part of the rental collected under this assignment of rents and leases shall be made to the exclusive order of the Assignee.

13. Assignee shall not be obligated to perform or discharge any obligation, duty, or liability under the leases, nor shall this assignment operate to place upon the Assignee responsibility for the control, operation, management, or repair of the Premises or the carrying out of any of the terms and conditions of the leases; nor shall this assignment operate to make the Assignee liable for any waste committed on the Premises by the lessee under any lease or any other party, or for any dangerous or defective condition of the Premises, or for any negligence in the management, upkeep, repair, or control of the Premises, resulting in loss, injury, or death to any tenant, licensee, employee, invitee, or stranger.

14. Assignor shall, and does hereby agree to, indemnify and hold Assignee harmless of and from any and all liability, loss, or damage which it may or might incur under the leases or under or by reason of this assignment and of and from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants, or agreements contained in the leases. Should Assignee incur any such liability, loss, or damage under the leases or under or by reason of this assignment, or in the defense of any such claims or demands, the amount thereof, including costs, expenses, and reasonable attorneys' fees, shall be secured hereby and Assignor shall reimburse the Assignee therefor immediately upon demand, and upon Assignor's failure to do so, the Assignee may declare all sums thereby immediately due and payable.

15. Assignee has not received, nor have any securities deposited by any lessee with the lessor under the terms of existing leases been transferred to Assignee; and the Assignee assumes no responsibility or liability for any securities so deposited.

16. Assignor will not modify, change, alter, supplement, amend, surrender, or accept surrender of any of the leases without Assignee's prior written consent.

17. Assignor has not and will not accept rent in advance under any existing leases or other agreement or lease of all or any part of the Premises except only monthly rents for current months which may be paid in advance.

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18. Assignor shall cause copies of this assignment to be served upon the lessees under the leases at Assignor's sole cost and expense, and will cause this assignment to be recorded and filed and rerecorded and refiled in each and every public office in which said filing and recording may be necessary to constitute record notice of this assignment and the terms and provisions hereof as applicable to the Premises.

19. Upon payment in full of all indebtedness and on the performance of all the obligations secured hereby, this assignment shall become null and void and of no effect.

20. This assignment is binding upon and inures to the benefit of the parties hereto, their heirs, legatees, devisees, administrators, executors, successors, and assigns. The term "Assignor," as used herein, shall include each Assignor whose name appears below, severally and all such assignors, jointly and severally, and their respective heirs, legatees, devisees, executors, successors, and assigns. The term, "Assignee," as used herein, shall include the named Assignee and all said Assignee's successors and assigns, including each and every person or entity who or which from time to time, becomes owner and holder of the Note and Deed of Trust, and such successors and assigns shall have, hold, and enjoy all of the rigs, and benefits hereby afforded and conferred upon the named Assignee as fully and with the same effect as if such successors and assigns were by name herein designated as Assignee.

IN WITNESS WHEREOF, the Assignor has executed this assignment as of the day, month, and year, first-above written.

TOPAZ LODGE ENTERPRISES, a general partnership,

By: *Roger Elton*
Roger Elton,
general partner

By: *Gene Gabrielli*
Gene Gabrielli,
general partner

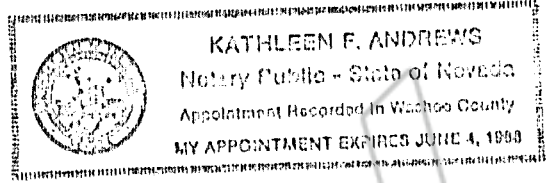
By: *James Page*
James Page,
general partner

"Assignor"

STATE OF Nevada)
) SS.
COUNTY OF Washoe)

On the 17th day of December, 1986, personally appeared before me, a Notary Public, ROGER ELTON, a general partner of TOPAS LODGE ENTERPRISES, a general partnership, who acknowledged that he executed the above instrument.

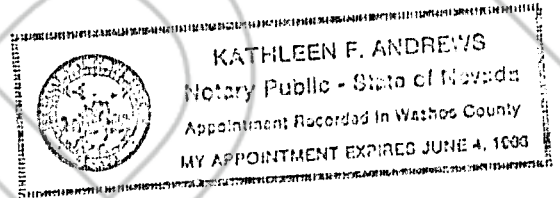
Kathleen F. Andrews
NOTARY PUBLIC



STATE OF Nevada)
) SS.
COUNTY OF Washoe)

On the 17th day of December, 1986, personally appeared before me, a Notary Public, GENE GABRIELLI, a general partner of TOPAS LODGE ENTERPRISES, a general partnership, who acknowledged that he executed the above instrument.

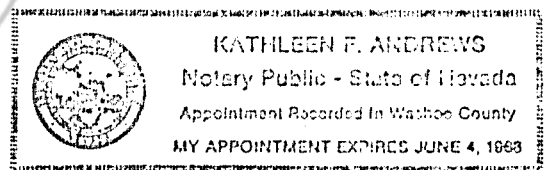
Kathleen F. Andrews
NOTARY PUBLIC



STATE OF Nevada)
) SS.
COUNTY OF Washoe)

On the 17th day of December, 1986, personally appeared before me, a Notary Public, JAMES PAGE, a general partner of TOPAS LODGE ENTERPRISES, a general partnership, who acknowledged that he executed the above instrument.

Kathleen F. Andrews
NOTARY PUBLIC



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EXHIBIT "A"

PARCEL 1

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

Lots 120, 121, 122, 123, 152, 153 and 154, as shown on the map of TOPAZ SUBDIVISION, filed in the office of the County Recorder of Douglas County, Nevada, on August 10, 1954, as File No. 9774.

TOGETHER WITH that real property lying and being in Section 29, Township 10 North, Range 22 East, M.D.B. & M., Douglas County, State of Nevada, and more particularly described as follows:

Commencing at a point on the Northwest corner of Lot 123 of the Topaz Subdivision as recorded August 10, 1954, in the Official Records of Douglas County, Nevada, said point being the TRUE POINT OF BEGINNING; thence West, a distance of 60.00 feet; thence South $00^{\circ}04'$ West, a distance of 420.00 feet thence East, a distance of 60.00 feet to the Southwest corner of Lot 120 of aforesaid subdivision; thence North $00^{\circ}04'$ East, a distance of 420.00 feet to the True Point of Beginning.

ALSO TOGETHER WITH all that certain piece or parcel of land situated in the Southwest Quarter of Section 29, Township 10, North, Range 22 East, M.D.B. & M., County of Douglas, State of Nevada, described as follows:

Beginning at the intersection of the West line of Genoa Street and the South line of Topaz Subdivision, as shown on the map thereof, filed in the office of the County Recorder of Douglas County, Nevada, on August 10, 1954; thence North $0^{\circ}04'$ East along said West line of Genoa Street, a distance of 154.86 feet to the true point of beginning; thence continuing North $0^{\circ}04'$ East 265.14 feet to the South line of Kit Carson Avenue, as shown on the map of Topaz Subdivision; thence West 385.87 feet to a point on the Easterly right of way curve of U.S. Highway 395 as described in the conveyance to the State of Nevada, recorded August 31, 1948, in Book Y of Deeds at Page 474, Douglas County, Nevada, records; thence Southeasterly along a curve having a radius of 4575 feet subtending a central angle of $3^{\circ}28'38''$ an arc distance of 277.71 feet to a point; thence leaving said right of way line, East a distance of 303.29 feet to the true point of beginning.

All that certain piece or parcel situate in the Southwest Quarter of Section 29, Township 10 North, Range 22, East, M.D.B. & M., described as follows:

Beginning at a 7/8 inch iron bar at the intersection of the West line of Genoa Street and the South line of Topaz Subdivision, as shown on the map of said subdivision, filed in the Office of the County Recorder of Douglas County, Nevada, on August 10, 1954, under Document No. 9774, Douglas County, Nevada,

(Continued)

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Records; thence from the point of beginning North 0°04' East along the West line of Genoa Street a distance of 154.86 feet to a 7/8 inch iron bar, thence West 303.29 feet, to a point in the Easterly Right of Way line of U.S. Highway 395, as described in the conveyance to the State of Nevada, recorded August 31, 1948, in Book Y of Deeds at Page 473, Douglas County, Nevada records, thence along said highway right of way line along a curve to the right having a radius of 4575 feet, through an angle of 2°00'12", for an arc distance of 160.00 feet, to the intersection thereof, with the North line of the parcel conveyed to the M.K. & D. Company, recorded April 1, 1955 in Book B-1 of Deeds at Page 316, Douglas County, Nevada, Records; thence East along the line common to said M.K. & D. Company parcel a distance of 263.06 feet to the point of beginning.

ALSO TOGETHER WITH all that certain piece or parcel of land situate in the County of Douglas, State of Nevada, described as follows:

A parcel of land being a portion of the Northwest 1/4 of the Southwest 1/4 of Section 29, Township 10 North, Range 22 East, M.D.B. & M., Douglas County, Nevada and more particularly described as follows:

COMMENCING at the Southwest corner of Lot 152, TOPAZ SUBDIVISION, filed in the Douglas County Recorder's Office on August 10, 1954, thence West a distance of 60 feet to the true point of beginning;

Thence continuing West a distance of 406.39 feet more or less, to a point in the curve of the Easterly right of way line of U.S. Highway 395, and thence a Radial bearing South 70°20'59" West, thence Northerly along said right of way line through a curve whose central angle is 3°45'26" having a radius of 4574.00 feet, an arc length of 300.00 feet to a point; thence South 89°57'00" East, a distance of 516.88 feet to a point in the Westerly line of Genoa Street. (60 feet in width) thence South 0°04'00" West along said Westerly line, a distance of 288.50 feet to the TRUE POINT OF BEGINNING.

ALSO TOGETHER WITH all that real property lying and being in the Southwest 1/4 of Section 29, Township 10 North, Range 22 East, M.D.B. & M., Douglas County, State of Nevada, and more particularly described as follows:

Commencing at the Southwest corner of Lot 152 of the Topaz Subdivision (as recorded August 10, 1954) thence West 60.00 feet to the TRUE POINT OF BEGINNING; thence West, a distance of 406.39 feet more or less to a point on the Easterly right-of-way of U.S. Highway 395; thence in a generally Southerly direction along the Easterly right-of-way of U.S. Highway 395 to the Northwest corner of that certain parcel of land as defined on page 4 of Exhibit A as recorded in Book 784 at page 138 of County Records, said point being further defined as lying on the South right-of-way line of Kit Carson Avenue per aforesaid Subdivision; thence East, a distance of 385.87 feet more or less to the Southwest corner of Kit Carson Avenue with Genoa Street per aforesaid Subdivision; thence North 00°04' East, a distance of 60.00 feet to the TRUE POINT OF BEGINNING.

ALSO TOGETHER WITH commencing at a point on the Northeast corner of that certain parcel of land as defined in Book 1084 at page 2650 of County Records, said point being the TRUE POINT OF BEGINNING; thence East, 60.00 feet, to the Easterly right-of-way line of Genoa Street as shown on the

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Topaz Subdivision (as recorded August 10, 1954): thence South 00°04' West along the Easterly right-of-way line of Genoa Street to the Southwest corner of Lot 152 of the aforesaid Topaz Subdivision; thence East 200 feet to the Southeast corner of aforesaid Lot 152; thence South 00°04' West, 60 feet to the Northeast corner of Lot 123 of the aforesaid Topaz Subdivision; thence West along the Southerly right-of-way line of Kit Carson Avenue to the Southwest corner at the intersection of Kit Carson Avenue with Genoa Street; thence North 00°04' East along the Westerly right-of-way of Genoa Street to the TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM a general Public Utility Easement being a strip of land, ten (10) feet in width, (measured at right angles) lying five (5) feet on both sides of the following described centerline being in portions of the former Kit Carson Avenue right-of-way as shown on the Topaz Subdivision (as recorded August 10, 1954); and being more particularly described as follows:

SECTION 1:

Beginning at the Northeast corner of Lot 123 of said Topaz Subdivision; thence North 0°04'00" East, 5.00 feet to the TRUE POINT OF BEGINNING; thence North 89°59'04" West, 524.00 feet to an angle point in said centerline; thence South 55°14'05" West, 5 feet to the end thereof.

SECTION 2:

Beginning at the angle point in the above-described Section 1; thence North 89°59'04" West, 22.00 feet to the end thereof. X

A.P.N. 39-121-08

PARCEL 2

All that certain piece or parcel of land situate in the County of Douglas, State of Nevada, and being a portion of the South 1/2 of the Southwest 1/4 of Section 29, Township 10 North, Range 22 East, M.D.B. & M., more particularly described as follows:

Commencing at the Northwest corner of Lot 20, as shown on the amended map of Topaz Lodge Subdivision filed in the Office of the County Recorder, Douglas County, Nevada, on September 16, 1958, and whose file number is 13594; thence West a distance of 579.13 feet to a point of the Easterly right of way line of Highway No. 395, said point being the true point of beginning; thence East a distance of 519.13 feet to a point on the Westerly right of way line of Eureka street; thence South a distance of 300.00 feet along the Westerly right of way line of Eureka Street to a point; thence West to a point on the Easterly right of way line of Highway No. 395 to a point; thence Northwesterly along the Easterly right of way line of Highway No. 395 to the true point of beginning.

Excepting therefrom that portion conveyed to the State of Nevada for Highway purposes.

TOGETHER WITH a parcel of land on the East side of U.S. Highway 395, occupied by the Topaz Lodge and being in the South 1/2 of the Southwest 1/4

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of Section 29, Township 10 North, Range 22 East, M.D.B. & M. in Douglas County, Nevada, more fully described as follows:

BEGINNING at a point which the 1/4 corner on the South boundary of said Section 29 lies East 1070.00 feet and South 225 feet; thence West parallel to the South line of Section 29, 416.84 feet to a point on the East right of way line of Highway 395; thence following the said right of way line Northerly on a curve to the left with a radius of 4,575 feet from a tangent bearing to the left with a radius of 4,575 feet from a tangent East 519.13 feet; thence South 600 feet to the Point of Beginning.

EXCEPTING THEREFROM all that certain lot, piece of parcel of land situate in the County of Douglas, State of Nevada, bounded and described as follows:

COMMENCING at the Northwest corner of Lot 20, as shown on the amended map of Topaz Lodge Subdivision filed in the Office of the County Recorder, Douglas County, Nevada, on September 16, 1958, and whose file number is 13594; thence West a distance of 579.13 feet to a point on the Easterly right of way line of Highway No. 395, said point being the true point of beginning; thence East a distance of 519.13 feet to a point on the Westerly right of way line of Eureka Street; thence South a distance of 300.00 feet along the Westerly right of way line of Eureka Street to a point; thence West to a point; thence Northwesterly along the Easterly right of way line of Highway 395 to the true point of beginning.

The above excepted parcel was conveyed to Harold L. Roberts and Lois Roberts, his wife, by Topaz Lodge, Inc., a Nevada corporation, in Deed dated November 8, 1966, recorded January 17, 1967, in Book 47, Page 218, as File No. 35177, Official Records of Douglas County, Nevada.

A.P.N. 39-142-11

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

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SUZANNE BEAUREL AU
RECORDER

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