

SHORT FORM DEED OF TRUST AND ASSIGNMENT OF RENTS

THIS IS A DEED OF TRUST, made this March 13, 1989 by and between Kim P. Covalt and Margo I. Covalt, husband and wife as joint tenants with right of survivorship

Trustor, to STEWART TITLE of Douglas County, A Nevada Corporation, Trustee for HARLESK MANAGEMENT, INC., a Nevada Corporation, Beneficiary.

WITNESSETH:

That the trustor does hereby grant, bargain, sell and convey unto the Trustee with power of sale all that certain property situated in Clark County, Nevada as follows: (See Exhibit "A" attached hereto and incorporated herein by this reference) AND ALSO all the estate, interest, and other claim, in law and in equity, which the Trustor now has or may hereafter acquire in and to said property TOGETHER WITH the tenements, hereditaments and appurtenances thereunto belonging to or appertaining, and any reversion, reversions or remainders and all rents, issues and profits of said real property, subject to the rights and authority conferred upon Beneficiary hereinafter set forth to collect and apply such rents, issues and profits. FOR THE PURPOSE OF SECURING:

FIRST: Payment of an indebtedness in the sum of \$ 8,340.00, evidenced by a Promissory Note of even date herewith, with interest thereon, according to the terms of said Promissory Note, which Promissory Note is by reference made a part hereof, is executed by the Trustor, delivered to Beneficiary, and payable to the order of Beneficiary and any and all modifications, extensions and renewals thereof.

SECOND: Payment of all THE RIDGE SIERRA PROPERTY OWNERS ASSOCIATION assessments, dues and membership fees as they become due and payable; and payment when due of all annual operating charges, assessments and fees levied by THE RIDGE TAHOE PROPERTY OWNERS ASSOCIATION (RTPOA) pursuant to the membership agreement between Trustor and RTPOA.

THIRD: Payment of such additional sums with interest thereon as may be hereafter loaned by Beneficiary to Trustor as additional advances under this Deed of Trust by the Promissory Note or Notes of Trustor, and payments of any monies advanced or paid out by Beneficiary or by the Trustee to or for Trustor pursuant to the provisions of this Deed of Trust, and payment of all indebtedness of the Trustor to the Beneficiary or to the Trustee which may exist or be contracted for during the life of this instrument, with interest, and also as security for the payment and performance of every obligation, covenant, promise or agreement contained herein or contained in any Promissory Note or Notes secured hereby, or any agreement executed simultaneously with this Deed of Trust.

FOURTH: The expenses and costs incurred or paid by Beneficiary or Trustee in preservation or enforcement of the rights and remedies of Beneficiary and the duties and liabilities of Trustor hereunder, including, but not limited to, attorneys' fees, court costs, witnesses' fees, expert witnesses' fees, collection costs and expenses paid by Beneficiary or Trustee in performing for Trustor's account any obligations of Trustor or to collect the rents or prevent waste.

AND THIS INDENTURE FURTHER WITNESSETH:

1. Trustor promises and agrees; to pay when due all assessments, dues and membership fees assessed by or owing to THE RIDGE SIERRA PROPERTY OWNERS ASSOCIATION upon the above-described premises and shall not permit said claims to become a lien upon the premises; to comply with all laws affecting said premises, and not commit or permit any acts upon the premises in violation of any Law, Covenant, Condition or Restriction affecting said premises. Trustor promises and agrees to pay when due all annual operating charges, assessments and fees levied by THE RIDGE TAHOE PROPERTY OWNERS ASSOCIATION (RTPOA) pursuant to the membership agreement between Trustor and RTPOA.

2. Annually, Trustor agrees to cause to be delivered to Beneficiary or to collection agent of Beneficiary a certified copy of the original policy or policies of insurance purchased by PEPPERMILL PALMS PROPERTY OWNERS ASSOCIATION with copies of paid receipts.

3. Trustor promises and agrees that if default be made in the payment when due of any installment of principal or interest, or obligation in accordance with the terms of any Promissory Note secured hereby, or in the performance of any of the covenants, promises or agreements contained herein; or if the Trustor becomes insolvent or makes a general assignment for the benefit of creditors; or if a petition in bankruptcy is filed by or against the Trustor, or if a proceeding be voluntarily or involuntarily instituted for reorganization or other debtor relief provided for by the bankruptcy act; OR IF THE TRUSTOR SHALL SELL, TRANSFER, HYPOTHECATE, EXCHANGE OR OTHERWISE BE DIVESTED OF TITLE TO THE ABOVE DESCRIBED PREMISES IN ANY MANNER OR WAY, WHETHER VOLUNTARILY OR INVOLUNTARILY, WHETHER BY THE OPERATION OF LAW OR OTHERWISE; EXCEPT BY DESCENT OR DEVISE; then upon the happening of any such event, the Beneficiary, at its option, may declare all Promissory Notes, sums and obligations secured hereby immediately due and payable without demand or notice, irrespective of the maturity dates expressed therein, and Beneficiary or Trustee may record a notice of such breach or default and elect to cause said property to be sold to satisfy the indebtedness and obligations secured hereby.

4. The following covenants, Nos. 1,3,4(interest 18%),5,6,7(reasonable attorneys' fees),8 and 9 of NRS 107.030, when not inconsistent with covenants and provisions by law shall be concurrent and cumulative.

5. The rights and remedies hereby granted shall not exclude any other rights or remedies granted by law, and all rights and remedies granted hereunder or permitted by law shall be concurrent and cumulative.

6. The benefits of the covenants, terms, conditions and agreements herein contained shall accrue to, and the obligations thereof shall bind the heirs, representatives, successors and assigns of the parties hereto and the Beneficiary hereof.

7. Whenever used, the singular number shall include the plural, the plural the singular and the use of any gender shall include all other genders, and the term "Beneficiary" shall include any payee of the indebtedness hereby secured or any transferee thereof whether by operation of law or otherwise.

8. As additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority during the continuance of these trusts 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 hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default Beneficiary may at any time without notice, either in person, or by agent or by a receiver to be appointed by a court, and without regard to the adequacy of any such security of the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his own name sue or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such other as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default hereunder or invalidate any act done pursuant to such notice.

9. The trusts created hereby are irrevocable by the Trustor.

10. Beneficiary hereby agrees that in the event of default under the terms of this deed of trust and upon the return to Beneficiary the Exhibit "A" real property that the liability of Trustor shall be limited to all monies paid to date of the return of Exhibit "A" real property and that no deficiency judgment shall lie against the Trustor.

11. This Deed of Trust may not be assumed without prior written consent of Beneficiary. Should Beneficiary not declare all sums due in accordance with Paragraph 3 above, then this Deed of Trust may only be assumed when the following conditions have been met: the payment to Beneficiary or assigns of an assumption fee of \$150.00 per interval week; credit approval of the assuming party; completion of an acceptance form and statements of acknowledgements by the assuming party of all condominium documents; and execution of an assumption agreement.

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

STATE OF NEVADA, COUNTY OF DOUGLAS

On March 13, 1989 personally appeared before me, a Notary Public,

Kim P. Covalt

Margo I. Covalt

TRUSTOR:

Kim P. Covalt
Kim P. Covalt

Margo I. Covalt
Margo I. Covalt

personally known to me, who acknowledged that they executed the above instrument.

Signature _____
(Notary Public)

Dean Doe DEAN DOE (WITNESS
If executed by a Corporation the Corporation Form of Acknowledgement must be used.

Title Order No. _____

Escrow or Loan No. 04-027-21-81

SPACE BELOW THIS LINE FOR RECORDERS USE ONLY

Notarial Seal

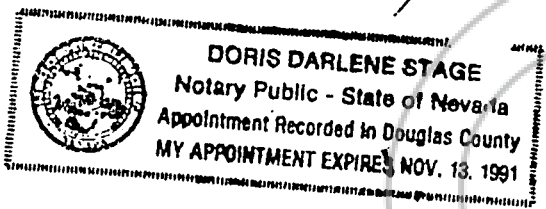
WHEN RECORDED MAIL TO:

STATE OF NEVADA
COUNTY OF DOUGLAS

On this 13 day of March, 1989, personally appeared before me, the undersigned, a Notary Public in and for the County of Douglas, State of Nevada, Dean Doe, known to me to be the same person whose name is subscribed to the attached instrument as a witness to the signatures of Kim P. Covalt and Margo I. Covalt and upon oath did depose that he was present and saw them affix their signature_s to the attached instrument and that thereupon he y acknowledged to him that he y executed the same freely and voluntarily and for the uses and purposes therein mentioned, and that as such witness thereupon subscribed his name to said instrument as witness thereto.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official stamp at my office in the County of Douglas, the day and year in this certificate first above written.

Doris Darlene Stage-Alper
Signature of Notary



LEGAL DESCRIPTION

A timeshare estate comprised of:

PARCEL 1:

An undivided 1/102nd interest in and to that certain condominium estate described as follows:

(a) An undivided 1/6th interest as tenants in common, in and to the Common Area of Lot 20 of Tahoe Village Unit No. 1, as shown on the map recorded December 27, 1983, as Document No. 93406, Official Records of Douglas County, State of Nevada, and as said Common Area is shown on the Record of Survey of boundary line adjustment map recorded April 21, 1986, as Document No. 133713, Official Records of Douglas County, State of Nevada.

(b) Unit No. A3 as shown and defined on said condominium map recorded as Document No. 93406, Official Records of Douglas County, State of Nevada.

PARCEL 2:

A non-exclusive easement for ingress and egress for use and enjoyment and incidental purposes over, on and through the Common Areas as set forth in said condominium map recorded as Document No. 93406, Official Records of Douglas County, State of Nevada, and as said Common Area is shown on the Record of Survey of Boundary line adjustment map recorded as Document No. 133713, Official Records of Douglas County, State of Nevada.

PARCEL 3:

An exclusive right to the use of a condominium unit and the non-exclusive right to use the real property referred to in subparagraph (a) of Parcel 1, and Parcel 2 above, during one "alternate use week" in EVEN numbered years within the "same use season" as that term is defined in the First Amended Restated Declaration of Time Share Covenants, Conditions and Restrictions for The Ridge Sierra recorded as Document No. 134786, Official Records, Douglas County, State of Nevada (the "C,C & R's"). The above-described exclusive and non-exclusive rights may be applied to any available unit in The Ridge Sierra project during said "use week" in the above referenced "use season" as more fully set forth in the C,C & R's.

A Portion of APN 40-360-05

REQUESTED BY
STEWART TITLE of DOUGLAS COUNTY
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

'89 APR 21 P2:29

SUZANNE BEAUDREAU
RECORDER

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