

DEED OF TRUST WITH ASSIGNMENT OF RENTS

THIS DEED OF TRUST, made this 6th day of December 1993, between HIGH SIERRA LANDCO, a California corporation

herein called TRUSTOR, whose address is P. O. Box 927, Gardnerville, NV 89410

WESTERN TITLE COMPANY, INC., a Nevada corporation herein called TRUSTEE, and STEVEN B. EDELMAN, as to an undivided 77.77% interest; and STUART L. KLEIN, as to an undivided 22.23% interest

herein called BENEFICIARY, WITNESSETH: That Trustor grants to Trustee in trust, with power of sale, that property in the County of Douglas, State of Nevada, to wit:

LEGAL DESCRIPTION: SEE EXHIBIT 'A' ATTACHED HERETO AND INCORPORATED HEREIN BY REFERENCE

RELEASE PROVISION: SEE EXHIBIT 'B' ATTACHED HERETO AND INCORPORATED HEREIN BY REFERENCE

Together with the tenements, hereditaments and appurtenances thereunto belonging or appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, subject, however, to the right of Beneficiary, during any period of default hereunder, and without waiver of such default, to collect said rents, issues and profits by any lawful means, and to apply the same, less costs and expenses of collection, to any indebtedness secured hereby.

For the purpose of securing (1) payment of the sum of \$450,000.00 with interest thereon according to the terms of a promissory note or notes of even date herewith made by Trustor, payable to order of Beneficiary, and all extensions or renewals thereof; and (2) the performance of each agreement of Trustor incorporated herein by reference or contained herein; (3) payment of additional sums and interest thereon which may hereafter be loaned to Trustor, or to his successors or assigns, when evidenced by a Promissory Note or Notes reciting that they are secured by this Deed of Trust.

To protect the security of this Deed of Trust, Trustor agrees: By the execution and delivery of this Deed of Trust and the note secured hereby, that provisions (1) to (16) inclusive of the Deed of Trust recorded in the Book and at the Page, or Document No. of Official Records in the Office of the County Recorder of the County where said property is located, noted below opposite the name of such County, viz.:

COUNTY	DOC. No.	BOOK	PAGE	COUNTY	DOC. No.	BOOK	PAGE
Clark	413987	514		Lyon	88486	31 mtgs.	449
Churchill	104132	34 mtgs.	591	Mineral	76648	16 mtgs.	534-537
Douglas	24495	22	415	Nye	47157	67	163
Elko	14831	43	343	Ormsby	72637	19	102
Esmeralda	26291	3H deeds	138-141	Pershing	57488	28	58
Eureka	39602	3	283	Storey	28573	R mtgs.	112
Humbolt	116986	3	83	Washoe	407205	734 Tr.deed	221
Lander	41172	3	758	White Pine	128126	261	341-344
Lincoln	41292	0 mtgs.	467				

325992

BK 1293 PG 5721



The following is a copy of provisions (1) to (16) inclusive, of the Deed of Trust, recorded in each county in Nevada, as stated in the foregoing Deed of Trust and incorporated by reference in said Deed of Trust as being a part thereof as if set forth at length therein.

To Protect the Security of This Deed of Trust, Trustor Agrees:

1. To properly care for and keep said property in good condition and repair; not to remove or demolish any building thereon; 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 requiring any alterations or improvements to be made thereon; 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 law; 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. The Grantor agrees to pay and discharge all costs, fees and expenses of these Trusts, including cost of evidence of title and Trustee's fees in connection with sale, whether completed or not, which amounts shall become due upon delivery to Trustee of Declaration of Default and Demand for sale, as hereinafter provided.
3. The amount collected under any fire insurance policy shall be credited: first, to accrued interest; next to expenditures hereunder; and any remainder upon the principal, and interest shall thereupon cease upon the amount so credited upon the amount so credited upon principal; provided, however, that at the option of the Beneficiary, the entire amount collected under the policies or any part thereof may be released to the Grantor, without liability upon the Trustee for such release.
4. The Grantor promises and agrees that if, during the existence of the Trust there be commenced or pending any suit or action affecting said conveyed premises, or any part thereof, or the title thereto, or if any adverse claim for or against said premises, or any part thereof, be made or asserted, he will appear in and defend any such matter purporting to affect the security and will pay all costs and damages arising and damages arising because of such action.
5. Any award of damages in connection with any condemnation for public use of or injury to any 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.
6. Trustee shall be under no obligation to notify any party hereto of any pending sale hereunder or of action or proceeding of any kind in which Grantor, Beneficiary and/or Trustee shall be named as defendant, unless brought by Trustee.
7. Acceptance by Beneficiary of any sum in payment of any indebtedness secured hereby, after the date when the same is due, 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.
8. Trustee may, at any time, or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and 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: reconvey any part of said property; consent in writing to the making of any map or plot thereof; join in granting any easement thereon; or join in any extension agreement or subordination agreement in connection herewith.
9. Upon receipt of written request from Beneficiary reciting that all sums secured hereby have been paid and upon surrender of this Deed and said note to Trustee for cancellation and retention 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," and Trustee is authorized to retain this Deed of Trust and note.
10. (a) Should default be made by Grantor in payment of any indebtedness secured hereby and/or in performance of any agreement herein, then Beneficiary may declare all sums secured hereby immediately due by delivery to Trustee of a written declaration of default and demand for sale, and of written notice of default and election to cause said property to be sold (which notice Trustee shall cause to be filed for record) and shall surrender to Trustee this Deed, the notes and all documents evidencing any expenditure secured hereby.  
(b) After three months shall have elapsed following recordation of any such notice of default, Trustee shall sell said property at such time and at such place in the State of Nevada as the Trustee, in its sole discretion, shall deem best to accomplish the objects of these Trusts, having first given notice of such sale as then required by law. Place of sale may be either in the county in which the property to be sold, or any part thereof, is situated or at an office of the Trustee located in the State of Nevada.  
(c) The Grantor, Pledgor and Mortgagor of the personal property herein pledged and/or mortgaged waives any and all demands or notices as conditions precedent to the sale of such personality.  
(d) Trustee may postpone sale of all, or any portion, of said property by public announcement at the time fixed by said notice of sale, and may thereafter postpone said sale from time to time by public announcement at the time previously appointed.

325992

BK 1293 PG 5723



(e) At the time of sale so fixed, Trustee may sell the property so advertised or any part thereof, either as a whole or in separate parcels as its sole discretion, at public auction, to the highest bidder for cash in lawful money of the United States, payable at time of sale, and shall deliver to such purchaser a deed conveying the property so sold but without covenant or warranty, express or implied, Grantor hereby agrees to surrender, immediately and without demand, possession of said property to such purchaser.

11. Trustee shall apply the proceeds of any such sale to payment of: expenses of sale and all charges and expenses of Trustee and of these Trusts, including costs of evidence of title and Trustee's fee in connection with sale; all sums expended under the terms hereof, not then repaid, with accrued interest at the rate of ten per cent (10%) per annum; all other sums then secured hereby, and the remainder, if any, to the person or persons legally entitled thereto.

12. The Beneficiary or assigns may, at any time, by instrument in writing, appoint a successor or successors to the Trustee named herein or acting hereunder, which instrument, executed and acknowledged by Beneficiary, and recorded in the Office of the County Recorder of or Counties wherein said property is situated, shall be conclusive proof of the proper substitution of such successor or Trustee, who shall have all the estate, powers, duties and trusts in the premises vested in or conferred on 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 his acts shall be deemed to be the acts of all Trustees, and the recital in any conveyance executed by such sole trustee of such requests shall be conclusive evidence thereof, and of the authority of such sole Trustee to act.

13. This Deed of Trust applies to, insures to the benefit of, and binds all parties hereto their heirs, legatees, devisees, administrators, executors, successors, and assigns.

14. Trustee accepts these trusts when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law.

15. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the sigular number includes the plural, and the term Beneficiary shall include any future holder, including pledgees, of the note secured hereby.

16. Where not inconsistent with the above the following covenants, No. 1; 2(\$ );3;4(10%);5;6;7( %);8; of NRS 107.030 are hereby adopted and made a part of this Deed of Trust.

REQUEST FOR FULL RECONVEYANCE  
To be used only when note has been paid.

To Trustee:

Dated \_\_\_\_\_

The undersigned is the legal owner and holder of all indebtedness secured by the within Deed of Trust all sums secured by said Deed of Trust have been fully paid and satisfied; and you are hereby requested and directed on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel all evidences of indebtedness secured by said Deed of Trust, delivered to you herewith together with said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, the estate now held by you under the same.

MAIL RECONVEYANCE TO:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
By \_\_\_\_\_  
By \_\_\_\_\_

Do not lose or destroy this Deed of Trust OR THE NOTE which it secures. Both must be delivered to the Trustee for cancellation before reconveyance will be made.

dt1

EXHIBIT A

LEGAL DESCRIPTION

of

Magill Property

Revised Parcel #1, A.P.N. 27-140-09

All that certain lot, piece, parcel or portion of land situate, lying and being within the Southeast 1/4 of the Southeast 1/4 of Section 8 and the Southwest 1/4 of the Southwest 1/4 of Section 9, Township 12 North, Range 20 East, M.D.B. & M. and more particularly described as follows:

A lot line adjustment to enlarge that parcel described in deed to Douglas County filed for record in Book 177 at page 302 as document number 06006, Official Records of Douglas County, Nevada, and to correct discrepancies between the west boundary of the Magill property as described in that deed filed for record in Book 23 at page 13 as document number 21683, Official Records of Douglas County, Nevada and the east boundary of the Parcel Map for James D. Prosser filed for record in Book 876 at page 440 as document number 02374, Official Records of Douglas County, Nevada and more particularly described as follows:

Commencing at the southeast corner of Section 8 as shown on the Parcel Map for James D. Prosser filed for record in Book 876 at page 440 as document number 02374, Official Records of Douglas County, Nevada; thence along the south line of said section North 89°59'02" West a distance of 503.55 feet to the southeast corner of Parcel D as shown on said map; thence along the east line of Parcel D North 00°37'50" West a distance of 30.00 feet to the northwest corner of the aforesaid Douglas County parcel; thence continuing along said east line of Parcel D North 00°37'50" West a distance of 30.00 feet to the north line of that parcel described in the deed to James M. Hickey recorded concurrently herewith which point is the TRUE POINT OF BEGINNING; thence North 00°37'50" West a distance of 582.35 feet to the northwest corner of Parcel E and the south line of the parcel described in deed to Gary D. Stone filed for record in Book 42 at page 693 as document number 33225, Official Records of Douglas County, Nevada; thence along said south line South 89°06'00" East a distance of 27.86 feet to the southeast corner the Parcel Map for Phillip D. Mc Kinnon filed for record in Book 176 at page 022 as document number 86935, Official Records of Douglas County, Nevada; thence along the east line of said Parcel Map and the Parcel Map for Ralph L. Parish filed for record in Book 374 at page 725 as document number 72481, Official Records of Douglas County, Nevada North 00°58'30" East a distance of 662.37 feet to the south right-of way line of State Highway 756 (Centerville Lane) as shown on the map thereof dated 1936, on file in the offices of the Nevada Department of Transportation, Carson City, Nevada; thence continuing

North  $00^{\circ}58'30''$  East a distance of 15.84 feet to the north line of the southeast 1/4 of the southeast 1/4 of said Section 8; thence along said north line  
South  $89^{\circ}59'02''$  East a distance of 471.22 feet to the east line of said southeast 1/4 of the southeast 1/4 and from which point the southeast corner of said Section 8 bears South  $00^{\circ}00'00''$  East a distance of 1,320.00 feet; thence along the north line of the southwest 1/4 of the southwest 1/4 of aforesaid Section 9  
South  $89^{\circ}58'19''$  East a distance of 668.29 feet to a point; thence leaving said north line  
South  $03^{\circ}27'00''$  West a distance of 32.11 feet to a point on the south right-of-way line of Dresslerville Road near a fence corner; thence along a fence line and the extension thereof  
South  $03^{\circ}27'00''$  West a distance of 1,260.39 feet to the north line of that Douglas County parcel described in said document number 06006; thence along said line  
North  $89^{\circ}57'14''$  West a distance of 590.68 feet; thence  
North  $89^{\circ}59'01''$  West a distance of 287.95 feet to the most easterly point of that parcel described in the deed to James M. Hickey recorded concurrently herewith; thence along a non-tangent curve to the left with  
a radial bearing of South  $23^{\circ}05'30''$  West,  
a radius of 375.00 feet,  
a central angle of  $23^{\circ}04'32''$  and  
an arc length of 151.03 feet; thence continuing along the north line of said Hickey parcel  
North  $89^{\circ}59'11''$  West a distance of 69.12 feet to the TRUE POINT OF BEGINNING and containing 33.076 acres more or less.

Including any and all water rights associated with those parcels of land described in the deeds recorded concurrently herewith to James M. Hickey and to the present owners of A.P.N. 27-120-14 and A.P.N. 27-120-19.

Excepting therefrom that portion conveyed to Douglas County by deed dated January 15, 1907, in Book N of Deeds, page 203, Official Records of Douglas County, Nevada. Said portion is described as a 1/4 acre "wedge" adjoining old county road as it existed in 1907. Said portion is now incorporated within the right-of-way of Dresslerville Road as described below.

Subject to any rights the public may have acquired to that portion of the above described parcel lying within the commonly used right-of-way of Highway 756 (Centerville Lane) and Dresslerville Road and more particularly described as follows:

Commencing at the southeast corner of Section 8 as described above; thence along the following courses as described above:  
 North 89°59'02" West a distance of 503.55 feet; thence  
 North 00°37'50" West a distance of 30.00 feet; thence  
 North 00°37'50" West a distance of 30.00 feet; thence  
 North 00°37'50" West a distance of 882.35 feet; thence  
 South 89°06'00" East a distance of 27.86 feet; thence  
 North 00°58'30" East a distance of 662.37 feet to the south right-of-way line of State Highway 756 (Centerville Lane) as shown on the map thereof dated 1936, on file in the offices of the Nevada Department of Transportation, Carson City, Nevada which point is the TRUE POINT OF BEGINNING; thence continuing North 00°58'30" East a distance of 15.84 feet to the north line of the southeast 1/4 of the southeast 1/4 of said Section 8; thence along said north line  
 South 89°59'02" East a distance of 471.22 feet to the east line of said southeast 1/4 of the southeast 1/4 and from which point the southeast corner of said Section 8 bears South 00°00'00" East a distance of 1,320.00 feet; thence along the north line of the southwest 1/4 of the southwest 1/4 of aforesaid Section 9  
 South 89°59'19" East a distance of 668.29 feet to a point; thence leaving said north line  
 South 03°27'00" West a distance of 32.11 feet to a point on the south right-of-way line of Dresslerville Road near a fence corner; thence along said right-of-way line  
 North 00°51'01" West a distance of 371.37 feet to a point marked by a 6' by 6' concrete monument as shown on said right-of-way map; thence continuing along said south right-of-way line  
 North 89°18'39" West a distance of 766.61 feet to the TRUE POINT OF BEGINNING and containing 26,165 square feet which equals 0.601 acres more or less.

Prepared: August 29, 1990, 12 Noon  
 By: HIGG-N-SONS INC.  
 Professional Land Surveyors  
 P. O. Box 425  
 Gardnerville, NV 89410  
 (702) 782-7444

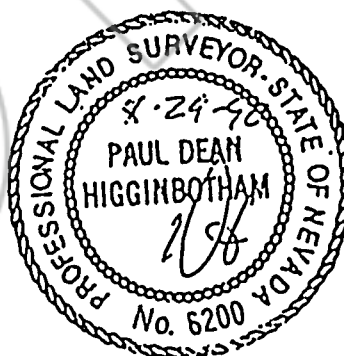




EXHIBIT A

LEGAL DESCRIPTION

of

Magill Property

Revised Parcel # 2, A.P.N. 27-140-10

All that certain lot, piece, parcel or portion of land situate, lying and being within the Southwest 1/4 of the Southwest 1/4 and the Southeast 1/4 of the Southwest 1/4 of Section 9, Township 12 North, Range 20 East, M.D.B. & M. and more particularly described as follows:

Commencing at the southeast corner of Section 8 as shown on the Parcel Map for James D. Prosser filed for record in Book 876 at page 440 as document number 02374, Official Records of Douglas County, Nevada; thence along the south line of said section

North 89°59'02" West a distance of 503.55 feet to the southeast corner of Parcel D; thence along the east line of Parcel D

North 00°37'50" West a distance of 30.00 feet to the northwest corner that parcel described in deed to Douglas County filed for record in Book 177 at page 302 as document number 06006, Official Records of Douglas County, Nevada; thence along the north line of said parcel the following courses:

South 89°59'02" East a distance of 503.71 feet; thence South 89°57'14" East a distance of 590.68 feet to the TRUE POINT OF BEGINNING; thence along the extension of a fence line and along a fence line

North 03°27'00" East a distance of 1,260.39 feet to the south right-of way line of Dresslerville road as commonly used ; thence continuing

North 03°27'00" East a distance of 32.11 feet to the north line of the southwest 1/4 of the southwest 1/4 and the southeast 1/4 of the southwest 1/4 of said Section 9; thence along said north line

South 89°58'19" East a distance of 1,978.65 feet to the northeast corner of said southeast 1/4 of the southwest 1/4 thence along the east line of said southeast 1/4 of the southwest 1/4

South 00°47'01" West a distance of 74.76 feet to the south right-of way line of said Dresslerville Road as marked by an existing east-west fence line; thence continuing

South 00°47'01" West a distance of 5.24 feet to the northwest corner of Gardnerville Ranchos Unit 2 marked by a 2" iron pipe monument as shown on the official map filed for record in Book 51 at page 222 as document number 28377, Official Records of Douglas County, Nevada; thence continuing along said east line

South 00°47'01" West a distance of 562.93 feet to a point in the so-called Edna Ditch as described in that certain deed to James C. Roberts, filed for record in Book 64 at page 423 as document number 43436, Official Records of Douglas County,



Nevada; thence along said ditch the following courses:  
South 50°42'00" West a distance of 74.73 feet; thence  
South 34°10'00" West a distance of 87.10 feet; thence  
South 25°42'00" West a distance of 63.80 feet; thence  
South 48°39'00" West a distance of 68.60 feet; thence  
South 86°57'30" West a distance of 128.40 feet; thence  
South 44°43'00" West a distance of 72.80 feet; thence  
South 55°06'00" West a distance of 104.80 feet; thence  
South 52°33'00" West a distance of 104.30 feet; thence  
South 47°14'00" West a distance of 294.30 feet; thence  
South 40°16'00" West a distance of 56.82 feet to the north  
line of the aforesaid Douglas County parcel; thence along  
said line  
North 89°57'14" West a distance of 1,260.75 feet to the TRUE  
POINT OF BEGINNING

Together with a right-of-way 18 feet in width along the  
easterly bank of the Edna Ditch as it traverses the above  
described property for the use of equipment used in  
connection with the cleaning and maintenance and repair of  
the Edna Ditch as described in the aforesaid deed to James C.  
Roberts.

Subject to an easement as described in that deed to  
Gardnerville Ranchos General Improvement District recorded  
concurrently herewith.

And subject to any rights the public may have acquired to  
that portion of the above described parcel lying within the  
commonly used right-of-way of Dresslerville Road and more  
particularly described as follows:

Commencing at the southeast corner of Section 8 as described  
above; thence along the following courses as described above:  
North 89°59'02" West a distance of 503.55 feet; thence  
North 00°37'50" West a distance of 30.00 feet; thence  
South 89°59'02" East a distance of 503.71 feet; thence  
South 89°57'14" East a distance of 590.68 feet; thence  
North 03°27'00" East a distance of 1,260.39 feet to the south  
right-of way line of Dresslerville road as marked by an east-  
west fence line which point is the TRUE POINT OF BEGINNING;  
thence continuing

North 03°27'00" East a distance of 32.11 feet to the north line of the southwest 1/4 of the southwest 1/4 and the southeast 1/4 of the southwest 1/4 of said Section 9; thence along said north line  
 South 89°58'19" East a distance of 1,978.65 feet to the northeast corner of said southeast 1/4 of the southwest 1/4 thence along the east line of said southeast 1/4 of the southwest 1/4  
 South 00°47'01" West a distance of 74.76 feet to the south right-of way line of said Dresslerville Road as marked by an existing east-west fence and from which point the northwest corner of Gardnerville Ranchos Unit 2 marked by a 2" iron pipe monument as shown on the official map filed for record in Book 51 at page 222 as document number 28377, Official Records of Douglas County, Nevada bears South 00°47'01" West a distance of 5.24 feet; thence along said fence line  
 North 88°43'08" West a distance of 1,720.78 feet; thence  
 North 88°51'02" West a distance of 259.27 feet to the TRUE POINT OF BEGINNING

Prepared: August 29, 1990  
 By: HIGG-N-SONS INC  
 Professional Land Surveyors  
 P. O. Box 425  
 Gardnerville, NV 89410  
 (702) 782-7444



REQUESTED BY  
**WESTERN TITLE COMPANY, INC**  
 IN OFFICIAL RECORDS OF  
 DOUGLAS CO., NEVADA

'93 DEC 27 AM 11:51

WZANNE B. ANDREAU  
 RECORDER

1600 [Signature] DEPUTY

225992

BK 1293 PG 5730