

✓ When recorded mail to:  
LAWRENCE F. LOPEZ  
P.O. Box 642  
South Lake Tahoe, CA 96156

**DEED OF TRUST**

THIS DEED OF TRUST made this 12<sup>th</sup> day of April, 1995, by and between CAPRI RESORTS, INC., a Nevada Corporation, hereinafter referred to as "Grantor", and LEISURE TIME ESCROW, or any substitute Trustee thereafter, hereinafter referred to as "Trustee", and JOANN THOMPSON, hereinafter referred to as "Beneficiary".

**WITNESSETH:**

WHEREAS, Grantor is obligated to Beneficiary in accordance with the terms and conditions of a Loan Agreement dated March 21, 1995 between Beneficiary and Grantor ("Loan Agreement") and subject to the Second Revised First Amended Plan and Order Confirming Plan, entered on December 16, 1994, in Case No. BK-N-93-31295, Chapter 11, Capri Resorts, Inc., in the United States Bankruptcy Court, District of Nevada, Reno, Nevada, hereinafter referred to as "Plan and Order" and the Order Authorizing Loan entered by said court on April 12<sup>th</sup>, 1995.

NOW THEREFORE, Grantor for the purpose of securing the performance of all of its obligations under the Loan Agreement in accordance with the terms thereof and of the Plan and Order grants unto the Trustee all that certain real property and improvements situated, lying and being in the County of Douglas, State of Nevada, more fully described as follows:

See Exhibit "A" attached hereto.

TOGETHER WITH, all and singular, the tenements, hereditaments and appurtenances thereunto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof.

**THIS DEED OF TRUST will be and is security for all obligations of Grantor to Beneficiary by virtue of the above described Loan Agreement, and shall also be security for any and all renewals of the aforesaid obligations of Grantor to Beneficiary, however evidenced. Grantor expressly covenants and agrees that at all times during the term hereof, they will keep and maintain the above described real property in good condition and will not, during the term hereof, undertake any activity with respect to said real property which would in any way tend to impair or diminish the value thereof, other than the sale of intervals as contemplated by the Plan and Order.**

**Trustee is authorized to grant partial releases without payments to Beneficiary for sales of intervals at Kingsbury Crossing when a portion of the sale price is paid to GEICO Financial Services Inc. (hereinafter known as "GEICO") to obtain a partial release from the lien of its deed of trust or any other prior liens or security interest as is provided in the Plan and Order above referenced.**

**Trustee is authorized to grant partial releases for sales of intervals at Kingsbury Crossing when a portion of the sales price is paid to Beneficiary per the Loan Agreement as modified by the Order Authorizing Loan.**

**Any disputes concerning the provisions in this Deed of Trust, or the language of the release clause, shall be determined by the Bankruptcy Court, consistent with the Order Authorizing Loan.**

**Notwithstanding any other provision of this Deed of Trust, Trustee is authorized to grant partial reconveyances so long as the United States Bankruptcy Court for the District of Nevada, Reno, Nevada has not determined that a material default has occurred under the Plan and Order. Trustee is further authorized to grant partial releases so long as the United States Bankruptcy Court for the District of Nevada, Reno, Nevada has not determined that Grantor herein is not in substantial compliance with the Plan and Order. The Loan Agreement secured by this Deed of Trust and any documents of record also**

securing those obligations are hereby modified to comply with the terms and conditions of the Plan and Order.

This Deed of Trust is subordinate only to the GEFCO Deed of Trust. The Deed of Trust of Mr. Kelly Turner and also the Deed of Trust of the former shareholders (Carl A. Morrison, Charles I. McClure, and Gurcharan S. Lau) are subordinated to this Deed of Trust.

That Grantor shall keep the Beneficiary informed as to the current status of the payments of indebtedness to GEFCO and shall provide beneficiary with copies of all letters of default and loan status received by the Grantor. The Grantor further shall keep the Beneficiaries informed as to the current status of the Grantor's status as to payment of maintenance fees, homeowners dues and any other assessment collectible for or on behalf of the Homeowners Association and that the same shall be disclosed to the Beneficiaries upon request.

The following covenants, and being covenants number 1, 3, 4 (10%), 5, 6, 7 (reasonable), 8, and 9 of Section 107.030 of Nevada Revised Statutes, are hereby made a part of this Deed of Trust. GEFCO may modify its secured note and Deed of Trust in any way it sees fit without the consent of the Beneficiary herein and without prejudice to its first lien position or right of payment under its note.

Nothing herein shall modify the provisions of the Plan, including but not limited to the provisions in the Plan to the effect that all sales under the Plan shall be free and clear of all liens and encumbrances, including this deed of trust or the terms of the Loan Agreement. Further, no violation of any provision of this deed of trust by the Grantor shall constitute a default hereunder unless the Bankruptcy Court has theretofore entered an order revoking the Plan, dismissing Capri's bankruptcy case, or finding that Capri is not in substantial compliance with the Plan.

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

GRANTOR:

BENEFICIARY

CAPRI RESORTS, INC.  
A Nevada Corporation

By: George T. Leverett III  
George T. Leverett, III  
Its President

Joann M. Thompson  
Joann M. Thompson

Beneficiary above-named joins in the execution of this Deed of Trust.

Dated this 12<sup>th</sup> day of April, 1995.

STATE OF Nevada )  
COUNTY OF Douglas ) SS



On this 12 day of April, 1995, personally appeared before me, a Notary Public, George T. Leverett III of CAPRI RESORTS INC., a Nevada Corporation, who acknowledged that he executed the foregoing instrument on behalf of said corporation.

Michelle L. Steele  
NOTARY PUBLIC

STATE OF Nevada )  
COUNTY OF Douglas ) SS

On this 12 day of April, 1995, personally appeared before me, a Notary Public, Michelle L. Steele, JOANN THOMPSON, who acknowledged that she executed the foregoing instrument.

Michelle L. Steele



Property Description  
Exhibit A

All right title and interest of the Grantor now appearing of public record in the following described property:

All that certain lot, piece or parcel of land situate in the County of Douglas, State of Nevada, described as follows: All that certain lot, piece or parcel of land situate in the County of Douglas, State of Nevada, being a portion of the North 1/2 of the Northwest 1/4 of Section 26, Township 13 North, Range 18 East, M.D.B. & M., described as follows:

Parcel 3, as shown on that Amended Parcel Map for JOHN E. MICHELSEN and WALTER COX, recorded February 3, 1981, in book 281 of Official Records at page 172, Douglas County, Nevada, as Document No. 53178, said map being an amended map of PARCELS 3 and 4 as shown on that certain map for John E. Michelsen and Walter Cox, recorded February 19, 1978, in Book 278, of Official Records at page 591, Douglas County, Nevada, as Document No. 17578.

Excepting therefrom those timeshare intervals previously conveyed.

REQUESTED BY  
**LEISURE TIME ESCROW**  
IN OFFICIAL RECORDS OF  
DOUGLAS CO., NEVADA

'95 APR 13 P2:31

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**BK 0495 PG 1784**

LINDA SLATER  
RECORDER  
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