DEED OF TRUST AND ASSIGNMENT OF RENTS

Escrow No S61705D0

THIS DEED OF TRUST, made this 17th day of March 1997, between ENCLAVES, INC.

herein called TRUSTOR,

whose address is P O Box 12219, Zephyr Cove NV 89448

WESTERN TITLE COMPANY, INC., a Nevada corporation herein called TRUSTEE, and Stephen H. Bourne and Nelgene H. Bourne, Trustees of the S.H. Bourne - 1994 Trust U/I/D November 16, 1994.

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:

SEE EXHIBIT 'A' ATTACHED HERETO AND MADE A PART HEREOF.

IF TRUSTOR SHALL CONVEY OR ALIENATE SAID PROPERTY OR ANY PART THEREOF OR ANY INTEREST THEREIN OR SHALL BE DIVESTED OF HIS TITLE IN ANY MANNER OR WAY, WHETHER VOLUNTARY OR INVOLUNTARY ANY INDEBTEDNESS OR OBLIGATION SECURED HEREBY IRRESPECTIVE OF THE MATURITY DATE EXPRESSED IN ANY NOTE EVIDENCING THE SAME, AT THE OPTION OF THE HOLDER HEREOF AND WITHOUT DEMAND OR NOTICE SHALL BECOME DUE AND PAYABLE IMMEDIATELY.

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 \$1,000,000.00 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 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.	воок	PAGE	COUNTY	DOC. No.	воок	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		n I	08875	

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(which provisions, identical in all counties, are attached hereto and a part hereof) hereby are adopted and incorporated herein and made a part hereof as fully as though set forth herein at length; that he will observe and perform said provisions; and that the references to property, obligations and parties in said provisions shall be construed to refer to the property, obligations, and parties set forth in this Deed of Trust.

Beneficiary or the collection agent appointed by Beneficiary may charge a fee not to exceed \$100.00 for each change in parties, or for each change in a party making or receiving a payment secured hereby.

The parties agree that with respect to provision 16, the amount of fire insurance required by covenant 2 shall be in an amount equal to the total indebtedness secured by this Deed of Trust and all obligations having priority over this Deed of Trust, and with respect to attorney's fees provided for by covenant 7 the percentage shall be a reasonable percentage.

The undersigned Trustor requests that a copy of any notice of default and any notice of sale hereunder be mailed to him at his address hereinbefore set forth.

STATE OF NEVADA

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County of Douglas

This instrument was acknowledged before me on March 20, 1997

by K. Marshall Matzinger

SIGNATURE OF TRUSTOR

ENCLAVES, INC.

K. Marshall Matzinger Secretary/Treasurer

NOTARY PUBLIC

OFFICIAL SEAL
CHARLENE F. PUSEY
NOTARY PUBLIC - NEVADA
DOUGLAS COUNTY
My Comm. Expires Nov. 8, 1997

When recorded mail to: Stephen & Nelgene Bourne P O Box 617 Zephyr Cove NV 89448

WHEN RECORDED MAIL TO: Stephen Bourne and Nelgene Bour ESCROW NO. S61705DO FOR RECORDER'S USE

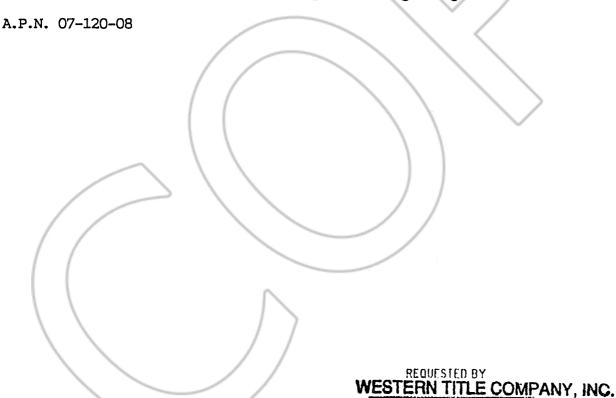
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DESCRIPTION

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

Beginning at the Southwesterly corner of the parcel herein described, from which corner the section corner common to Sections 22, 23, 26 and 27, Township 13 North, Range 18 East, M.D.B. & M., bears North 22°06'32" East 109.70 feet (Deed of Record shows North 21°35' East 109.70 feet); thence from said point of beginning North 28°49'04" East (Deed of Record shows North 28°02' East); along the Easterly right-of-way line of Highway 50, a distance of 4.20 feet (Deed of Record shows 4.40 feet); thence on a curve to the left, having a chord which bears North 25°07'47" East (Deed of Record shows North 24°20'54" East); and having a radius of 2540.0 feet, through a central angle of 07°22'34" (Deed of Record shows a central angle of 07°22'12") for an arc distance of 326.77 feet (Deed of Record shows 326.72 feet); thence leaving said curve South 88°53'34" East 372.64 feet (Deed of Record shows South 89°42' East 373.26 feet); thence South 00°48'26" West 180.07 feet to a point on the Northerly right-of-way line of Kingsbury Grade, from which point the center of a curve bears South 10°13'52" East (Deed of Record shows South 11°02'18" East) 1040.00 feet; thence along a curve to the left having a chord which bears South 77°28'01" West (Deed of Record shows South 76°39'35" West) and having a radius of 1040 feet, through a central angle of 04°36'14" for an arc distance of 83.57 feet; thence leaving said curve North 88°53'34" West (Deed of Record shows North 89°42' West) and continuing along said right-of-way line 61.00 feet; thence South 18°20'26" West (Deed of Record shows South 17°32' West) 23.48 feet along said line; thence South 63°57'26" West 300.66 feet (Deed of Record shows South 65°09' West 301.00 feet) along said line; thence leaving said right-of-way line North 60°10'56" West 99.49 feet (Deed of Record shows North 60°58' West 100.00 feet) to the point of beginning.



IN OFFICIAL RECORDS OF DOUGLAS CO., NEVADA

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RECORDER

PAID KO DEPUTY

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