

**RECORDING REQUESTED BY
AND RETURN TO:**

Western Title Company, Inc.
401 S. Bridge Street
Winnemucca, Nevada 89445

Douglas County Assessor's Parcel No. 1320-30-701-009 (formerly APN 25-050-42)

#82972-99

DEED OF TRUST

THIS DEED OF TRUST, made this 27th day of April, 2000, by and between the following parties:

TRUSTOR:

WAI C. LOUIE
a single man
P.O. Box 962
Dayton, Nevada 89403

TRUSTEE:

WESTERN TITLE COMPANY, INC.
a Nevada corporation
401 S. Bridge Street
Winnemucca, Nevada 89445

BENEFICIARY:

GEORGE D. ARNOLD and CAROL A. ARNOLD
Co-Trustees of the ARNOLD FAMILY TRUST
dated November 1, 1989
P.O. Box 1618
Winnemucca, Nevada 89446

WITNESSETH: WHEREAS, Trustor is indebted to Beneficiary in the sum of FOUR HUNDRED THOUSAND AND NO/100 DOLLARS (\$400,000.00) and has agreed to pay the same with interest according to the terms of that certain Promissory Note of even date herewith, executed and delivered by Trustor to Beneficiary;

NOW, THEREFORE, Trustor grants unto Trustee, in trust with power of sale, for the purpose of securing: (i) payment of said Promissory Note and principal, interest and other amount set forth therein and all extensions or renewals thereof; (ii) any future advances of additional sums and interest thereon hereafter loaned by Beneficiary to the record owner of the property and evidenced by a promissory note or notes containing a recitation this trust deed secures payment thereof in a maximum amount not exceeding the amount of the Promissory Note secured hereby unless such amount is increased or decreased by amendment to this instrument; (iii) payment of all other moneys herein agreed or provided to be paid by Trustor or which may be paid out or advanced by Beneficiary or Trustee under the provisions of this instrument with interest in each case; and, (iv) the performance and discharge of each and every obligation, covenant and agreement of Trustor herein contained or herein adopted by reference, all that certain real property situate, lying and being in the town of Minden, County of Douglas, State of Nevada, and more particularly described as follows, to-wit:

Beginning at the Northwesterly corner of Parcel No. 1, McDonalds Corporation, as shown on Record of Survey for MCDONALDS CORPORATION recorded June 5, 1984, Book 684, Page 420, Document No. 101722 Official Records of Douglas County; thence North

63°25'00" West along the Southerly right of way of Highway 395, a distance of 14.00 feet to the TRUE POINT OF BEGINNING; thence North 63°25'00" West along the Southerly right of way of Highway 395, a distance of 110.00 feet to a point; thence South 26°35'00" West a distance of 200.00 feet to a point; thence South 63°25'00" East a distance of 110.00 feet to a point; thence North 26°35'00" East a distance of 200.00 feet to THE TRUE POINT OF BEGINNING.

RESERVING THEREFROM easements for public access pursuant to Declaration of Covenants, Conditions and Restrictions and Establishment of Easements, Document No. 73566, Book 1182, Pages 1333 through 1346 Official Records of Douglas County; along the Easterly 14.00 feet of above described parcel being 1/2 of a 28.00 foot easement as shown on the above described McDonald Corporation Record of Survey; together with a 15.00 foot wide easement along the Southerly boundary of the above described parcel.

Acknowledging an existing irrigation ditch easement 10.00 feet wide as shown on the above referenced McDonalds Corporation Record of Survey.

and also all of the estate, interest or other claim which Trustor now has or may hereafter acquire in and to said property, together with all easements and rights-of-way used in connection therewith or as a means of access thereto, and, all and singular, the tenements, hereditaments and appurtenances thereto belonging or in any way appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof.

TO HAVE AND TO HOLD the property and appurtenances described herein unto the Trustee for the purposes herein set forth.

THIS INDENTURE FURTHER WITNESSETH:

FIRST: The following numbered covenants: One; Three; Four (12.00%); Five; Six (which covenant is deemed to include and apply to all conditions, covenants and agreements herein in addition to those adopted by reference and to any and all defaults or deficiency in performance of this Deed of Trust); Seven (a reasonable percent); Eight; and, Nine, of the Nevada Revised Statutes, Section 107.030, when not inconsistent with other covenants and provisions herein, are adopted and made a part of this Deed of Trust.

SECOND: Trustor shall keep all buildings and improvements that may now or at any time be on the property during the continuance of this trust insured with an all-risk insurance policy covering against loss by fire, casualty, vandalism, malicious mischief and other hazards included in extended coverage endorsement with a company authorized to issue such insurance in the State of Nevada, for a sum equal to the greater of the total value of the property encumbered by this Deed of Trust or the total indebtedness secured by this Deed of Trust and all obligations having priority over this Deed of Trust, and such insurance benefits shall, at the discretion of Beneficiary, be payable to Beneficiary as loss payee or as an additional insured in the amount of the total sum of the obligation secured hereby, and Trustor shall, upon request, deliver such policy to Beneficiary, or to the collection agent of Beneficiary, and in default thereof, Beneficiary may procure such insurance and expend for such purpose such sums as Beneficiary shall deem appropriate.

THIRD: Trustor shall during the continuance of this trust: (i) keep the real property and improvements in good condition and repair; (ii) not remove or demolish any building or improvement thereon unless the building or improvement is immediately replaced with one of equal or greater value; (iii) complete or restore promptly in a good and workmanlike manner any building or improvement which may

be constructed, damaged or destroyed thereon and pay when due all claims for labor performed and materials furnished therefor; (iv) comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; (v) not commit or permit waste thereof; (vi) not commit, suffer or permit any acts upon said property in violation of any law, covenant, condition or restriction affecting the property; and, (vii) do all other acts which from the character or use of said property may be reasonably necessary to protect the security hereof.

FOURTH: Trustor shall: (i) not cause or permit the presence, use, disposal, storage or release of any hazardous substance (as defined by applicable federal, state or local health, safety or environmental protection laws and/or regulations) on the property, except such quantities of hazardous substances generally recognized appropriate for the normal use and maintenance of the property; (ii) promptly notify Beneficiary if Trustor becomes aware of any hazardous substances on or near the property or if Trustor becomes aware that the property is in direct or indirect violation of any health, safety or environmental protection laws and/or regulations or if Trustor becomes aware of any conditions on or adjacent to the property which poses a threat to the health, safety or welfare of humans; and, (iii) remove such hazardous substances and/or cure such violations and/or remove such threats, as applicable, as required by law or regulation.

FIFTH: Trustor shall pay: (i) at least ten (10) days before delinquency, all taxes and assessments affecting said property; (ii) when due, all encumbrances, charges and liens with interest on said property or any part thereof except as otherwise provided herein; and, (iii) all costs, fees and expenses of this trust.

SIXTH: Trustor shall appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of the Beneficiary or Trustee, and pay all costs and expenses including costs of evidence of title and attorney's fees in a reasonable sum in any action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Deed of Trust.

SEVENTH: Trustor shall pay any deficiency arising from any cause after application of the proceeds of a sale held in accordance with the provisions of the covenants herein adopted by reference.

EIGHTH: There is conferred 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 agreement 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, by agent, or by a receiver to be appointed by a court, and without regard to adequacy of any security for the indebtedness hereby secured, enter upon and take possession of the property or any part thereof, and sue for 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 order as Beneficiary may determine. The entering upon and taking possession of the property, the collection of such rents, issues and profits, and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

NINTH: If Trustor fails to make any payment or to do any act as herein provided or required, then Beneficiary or Trustee, without obligation so to do and without notice to or demand upon Trustor, and without releasing Trustor from any obligation hereof, may: (i) make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; (ii) appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and,

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(iii) pay, purchase, contest, or compromise any encumbrance, charge, or lien which in the judgment of either appears to be prior or superior hereto. In exercising any such powers, Beneficiary or Trustee may pay necessary expenses, employ counsel and pay reasonable fees of counsel. Trustor shall without demand immediately pay all sums so expended by Beneficiary or Trustee with interest from the date of such expenditure at the percentage rate then in effect for the Promissory Note secured by this Deed of Trust. The amount of any such expenditure not repaid immediately by Trustor shall be added to the principal sum due or to become due under the Promissory Note secured by this trust deed.

TENTH: If Trustor is in default under the terms of the Promissory Note secured hereby, and if Beneficiary consequently incurs any penalties, charges or other expenses on account of such default, then the amount of such penalties, charges and expenses shall be immediately payable by Trustor to Beneficiary, and any amount not repaid immediately shall be added to the principal sum due under the Promissory Note secured by this trust deed. The payment of principal of the Promissory Note secured hereby shall at the option of the payee thereof, without demand or notice, be accelerated in the event of default in the performance of the terms of the Promissory Note, all on terms and conditions more particularly set forth in the Promissory Note.

ELEVENTH: If Trustor, or any successor in interest to Trustor, shall sell, convey, alienate, assign, transfer, dispose of, or agree or contract to sell, convey, alienate, assign, transfer or dispose of said property or any part thereof, or any interest therein, or shall be divested of the title, in any manner or any way, either voluntarily or involuntarily, or otherwise, any indebtedness or obligation secured hereby at the option of the holder hereof, without demand or notice, shall immediately become due and payable although the time of maturity as expressed therein shall not have arrived, unless the Beneficiary consents thereto and this provision is waived in writing by Beneficiary, which consent shall not be unreasonably withheld if the security hereof is adequately protected. Consent to one such transaction shall not be deemed to be a waiver of the right to require consent to future or successive transactions.

TWELFTH: There can be no transfer by Trustor of this Deed of Trust or the assumption of the payment obligation of the Promissory Note it secures without first obtaining the written consent of the Beneficiary, which consent shall not be unreasonably withheld if the security hereof is adequately protected. Beneficiary may, without notice to or consent of the Trustor, extend the current payment of any indebtedness secured hereby to a successor in interest of the Trustor, without discharge of the Trustor from any liability thereof.

THIRTEENTH: At any time, or from time to time, upon first obtaining the written consent of the Beneficiary, which consent shall not be unreasonably withheld if the security hereof is adequately protected, the Trustee may: (i) reconvey any part of said property; (ii) consent to the making of any map or plat thereof; (iii) join in granting any easement thereon; or, (iv) join in any extension agreement or any agreement subordinating the lien or charge hereof.

FOURTEENTH: The following or any combination of the following shall not adversely affect the rights of the Beneficiary or the Trustee hereunder nor relieve any persons from any obligation under this instrument or the Note secured hereby: (i) extension of time for payment of any sum or sums; (ii) partial reconveyance; (iii) acceptance of any sum after the same is due or after filing of notice of breach and election to sell; (iv) joinder in granting any easements; and, (v) joinder in any extension or subordination agreement.

FIFTEENTH: Rights and remedies granted herein shall not exclude any other rights or remedies granted by law and all rights and remedies granted herein or permitted by law shall be concurrent and cumulative. A violation of any express covenant herein shall have the same effect as a violation of any covenant herein adopted by reference.

SIXTEENTH: Words used herein in any gender include all other genders and singular includes plural and plural the singular.


SEVENTEENTH: All provisions of this instrument shall inure to, apply to and bind the heirs, executors, administrators, legal representatives, successors and assigns of all parties hereto, it being understood the term "Beneficiary" shall mean the owners and holders, including pledgees, of the Promissory Note secured hereby, whether or not named as Beneficiary herein.

IN WITNESS WHEREOF, this instrument is executed effective as of the day and year first above written.

Wai C. Louie
Wai C. Louie

STATE OF NEVADA,)
COUNTY OF Washoe) ss.

This instrument was acknowledged before me on April 27, 2000 by **WAI C. LOUIE.**

 SHELLI LINDSAY
Notary Public - State of Nevada
Appointment Recorded in Washoe County
No: 99-50693-2 - Expires December 15, 2002

Shelli Lindsay 12-15-2002
Notary Public Commission expires

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

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LINDA SLATER
RECORDER

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