

Mail To: Evergreen Federal
969 SE Sixth St, Grants Pass, Ore 97526

**SECURITY AGREEMENT
ASSIGNMENT OF LEASE(S)**

ESC# 84254 CWT

FOR AND IN CONSIDERATION of the sum of One Dollar (\$1.00) and other valuable consideration, receipt of which is hereby acknowledged, M & D DEVELOPMENT, A General Partnership, hereinafter called "Assignor", hereby sells, assigns, transfers and sets over unto EVERGREEN FEDERAL SAVINGS AND LOAN ASSOCIATION, an Oregon Corporation, hereinafter called "Assignee", any and all leases now existing or hereinafter entered into and any extensions or renewals thereof, of those certain premises known as UNITED STATES POST OFFICE in the City of GARDNERVILLE, County of DOUGLAS State of NEVADA, which leased premises are more particularly described in Exhibit "A".

Assignor hereby further assigns, transfers and sets over unto Assignee all of the rents now due and to become due under the terms of said lease(s) and any extensions or renewals thereof, together with the amounts required thereunder to pay taxes and insurance. Assignor agrees that it will not, without securing the prior written consent of Assignee, consent to the assignment or transfer of said lease(s) of the above described premises. Assignor further warrants that it has not previously assigned said lease(s) or pledged or hypothecated any of the rents or amounts to become due thereunder or any interest therein, except to the Assignee.

Assignor has borrowed from Assignee the sum of ONE MILLION TWO HUNDRED FORTY THOUSAND AND NO/100 DOLLARS (\$1,240,000.00) and has executed and delivered to Assignee its Promissory Note, Mortgage and Loan Agreement dated March 6, 2001 on real property, including the above described premises, to secure the payment of said Note, and this assignment is made to Assignee as additional security in addition to the Mortgage herein referred to. Until such time as there is a default in any of the terms or provisions of the said Promissory Note, Mortgage or Loan Agreement, Assignor shall have the right to continue to collect and receive all rental and all payments as the same become due under the said lease, but in the event of any default in any of the terms and provisions of the said Promissory Note, Mortgage or Loan Agreement, Assignee shall have the immediate right to collect the rental and other payments from that time on and to compel the application of all future rents and other payments accruing on said lease to the liquidation of the amounts then remaining due Assignee on said Promissory Note and Mortgage.

To ensure performance of this Assignment, the Assignor has signed and delivered to the Assignee a Power of Attorney to Receive Rent for Post Office Quarters, attached as Exhibit "B". It is hereby agreed that said Power of Attorney shall not be invoked until such time as there is a default in any of the terms or provisions of the aforementioned Promissory Note, Mortgage or Loan Agreement.

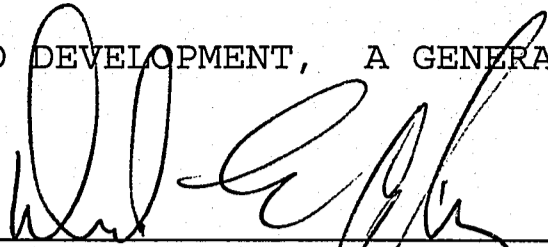
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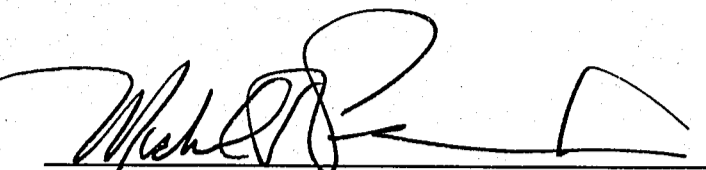
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IN WITNESS WHEREOF, Assignor has caused this Assignment of Lease to be signed on this 6th day of March, 20 01.

M & D DEVELOPMENT, A GENERAL PARTNERSHIP; BY:

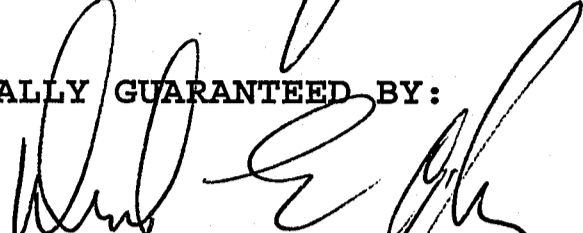


DAVID E. GILMORE

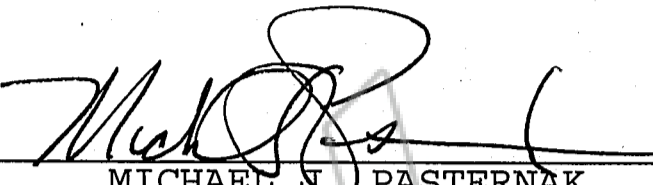


MICHAEL J. PASTERNAK

PERSONALLY GUARANTEED BY:



DAVID E. GILMORE



MICHAEL J. PASTERNAK

STATE OF California
COUNTY OF Shasta

Before me, Marcella J. Leigh, a Notary Public for said County and State, personally appeared DAVID E. GILMORE and MICHAEL J. PASTERNAK, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged THEMSELVES to be PARTNERS of M & D DEVELOPMENT, A GENERAL PARTNERSHIP, a partnership that executed the within instrument, and known to me to be the person who executed the within instrument on behalf of the partnership therein named, and acknowledged to me that such partnership executed the within instrument pursuant to the provisions of Articles of Organization of said partnership. The above named further acknowledged the foregoing instrument to be THEIR individual, voluntary and personal act and deed.

Before me:



NOTARY PUBLIC

My commission expires: Feb. 14, 2002



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Exhibit "A"

A parcel of land located within a portion of the Northwest 1/4 of Section 21, Township 12 North, Range 20 East, M.D.M., more particularly described as follows;

COMMENCING at the Northeast corner of Parcel 1, as shown on the Parcel Map for VALLEY INVESTMENTS WEST, recorded September 23, 1987, in the office of the Recorder, Douglas County, Nevada, as Document No. 162769;

thence along the Southerly right-of-way line of Kimmerling Road South $89^{\circ}49'14''$ West, 549.98 feet;

thence continuing along said right-of-way line along the arc of a curve to the left having a radius of 1860 feet, a central angle of $02^{\circ}31'47''$; and arc length of 82.12 feet to THE POINT OF BEGINNING;

thence South $00^{\circ}00'47''$ West, 261.42 feet;

thence North $89^{\circ}59'13''$ West, 323.13 feet;

thence North $00^{\circ}00'47''$ East, 197.36 feet;

thence along the arc of a curve to the right having a radius of 25.00 feet, central angle of $77^{\circ}50'31''$, arc length of 33.96 feet to a point on said Southerly right-of-way line;

thence along the arc of a compound curve to the right having a radius of 1860.00 feet, central angle of $09^{\circ}26'09''$, and arc length of 306.32 feet to THE POINT OF BEGINNING.



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U.S. Postal Service
MORTGAGEE'S AGREEMENT

Date March 7, 2001

The undersigned, EVERGREEN FEDERAL

holder(s) of a mortgage in the sum of \$1,240,000.00 on the property situated

UNITED STATES POST OFFICE, 1271 KIMMERLING ROAD

(Street address)

GARDNERVILLE, NV 89410-9998

(City, State, and ZIP+4)

hereby consent(s) to the leasing of said property to the U.S. Postal Service and agree(s) for itself, its successors, executors, administrators, and assigns that in the event it should become necessary to foreclose said mortgage the said mortgagee will cause the sale of said premises to be made subject to said lease.

Witness: Laura A. Lynch

EVERGREEN FEDERAL

(Mortgage Company)

By Robert B Moore

(Signature of Mortgagee's Officer)

ROBERT B MOORE

Its VICE PRESIDENT

(Title of Mortgagee's Officer)

969 SE SIXTH STREET

(Street Address)

GRANTS PASS OR 97526

(City, State, and ZIP+4)

Subscribed and Sworn to before me, a notary public, in and for JOSEPHINE

County, State of OREGON, this 7th day of

March, 2001



Michelle Carter
(Notary Public)

My commission expires 7.25.01

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POWER OF ATTORNEY TO RECEIVE RENT FOR POST OFFICE QUARTERS

WHEREAS the right to receive rent for certain premises occupied by the United States Postal Service in GARDNERVILLE, County of DOUGLAS, State of NEVADA

(City or town)

is vested in the undersigned and

WHEREAS it is desired to appoint an attorney in fact to receive rents for premises so occupied and to give receipts therefor on behalf of the undersigned.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS THAT M & D DEVELOPMENT, A GENERAL PARTNERSHIP (Names of lessor(s))

has Made, constituted, and appointed, and by these presents make(s), constitutes(s), and appoint(s) EVERGREEN FEDERAL

whose address is 969 SE SIXTH STREET, GRANTS PASS, OREGON 97526 (Number) (Street) (City or town) (State) (Zip Code)

OUR true and lawful attorney for US, and in OUR Name and stead to ask, demand, collect, and receive all rents due for the period beginning on the first day of the month thereafter following the date of execution of this instrument and receipt by the Postal Service and for rents which thereafter may be due and owing US From the United States Postal Service as tenant or occupier of premises located at 1271 KIMMERLING ROAD, GARDNERVILLE NEVADA 89410-9998

And upon receipt thereof to give proper receipts, acquittances, or discharges, hereby ratifying and confirming all that said attorney shall lawfully do by virtue of this instrument.

IN TESTIMONY WHEREOF WE have hereunto set OUR Hand(s) and seal(s) this 6th day of March, 2001 (I-We) (My-Our) (Me-Us-It) (My-Our-Its)

Signed, sealed, and delivered in the presence of M Jean Bynstetter, Paula Fraser (Two witnesses are required)

DAVID E GILMORE [SEAL], MICHAEL J PASTERNAK [SEAL]

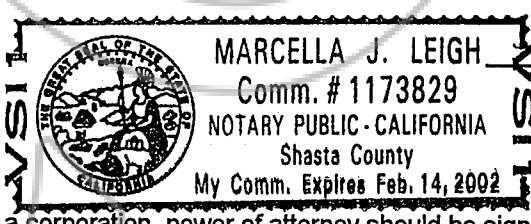
After carefully filling each space, acknowledge execution of this document before a notary public or other official having authority to administer oaths.

STATE OF California) COUNTY OF Shasta) ss:

Personally appeared before me, a Notary Public in and for the county and state aforesaid, DAVID E GILMORE AND MICHAEL J PASTERNAK, known to me to be the same person(s) who executed the foregoing power

of attorney, and who acknowledged that THEY Signed, sealed, and delivered the same as THEY free and voluntary act for the purposes therein mentioned. (He-She-They) (His-Her-Their)

Witness my hand and notarial seal, in the county and state aforesaid, this 6th day of March, 2001 (Month)



Marcella J. Leigh, Notary Public

[NOTARIAL SEAL]

*If lessor granting the power of attorney is a corporation, power of attorney should be signed in the name of the corporation by a duly authorized officer thereof.

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

2001 MAR 13 PM 3:11

LINDA SLATER RECORDER

2400 PAID BC DEPUTY

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