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ESCROW NO. 110156PAH

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Kirk S. Schumacher

P.O. Box 2311

Reno, NV 89505

Assessor's Parcel Number:

39-121-08, 39-142-03, 39-142-11

39-143-07, 39-143-02, 39-151-01

MEMORANDUM OF GROUND LEASE

This Memorandum of Ground Lease, dated to be effective as of midnight on March 31, 2001, is between RHE Trust, by its sole trustee, Roger H. Elton ("Landlord") and Topaz Lodge, Inc., a Nevada corporation ("Tenant").

Landlord leases to Tenant the following described real property situated in the County of Douglas, State of Nevada:

See Exhibit A attached hereto and by reference hereto made a part hereof.

The term of the lease shall be for a period of twenty-nine (29) years commencing at midnight on March 31, 2001, and ending at midnight on March 31, 2030.

The Landlord grants to Tenant the right to purchase the Real Property during the term of the lease upon the terms and the conditions of the unrecorded Ground Lease between Landlord and Tenant, dated as of midnight on March 31, 2001 (the "Ground Lease").

This lease is subject to the terms, conditions, and restrictions contained in the Ground Lease.

Tenant:

TOPAZ LODGE, INC.
a Nevada corporation

By: 

Robert A. Cashell, President

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Landlord:

RHE TRUST

By: *Roger H. Elton*
Roger H. Elton, Trustee

STATE OF ~~NEVADA~~ ^{New York})
COUNTY OF ~~WASHOE~~ ^{New York})SS

On this 23rd day of March, 2001, personally appeared before me a notary public, ROGER H. ELTON, personally known (or proved) to me to be the person whose name is subscribed to the above instrument who acknowledged that he executed the instrument.

SEAL


Rita A. Fogliano
NOTARY PUBLIC

RITA A. FOGLIANO
Notary Public, State of New York
No. 31-4898431
Qualified in New York County
Commission Expires

9/6/01

STATE OF NEVADA)
COUNTY OF WASHOE)SS

On this 22nd day of March, 2001, personally appeared before me a notary public, ROBERT A. CASHELL, JR., personally known (or proved) to me to be the person whose name is subscribed to the above instrument who acknowledged that he executed the instrument.

 ESTHER M. SEXTON
Notary Public - State of Nevada
Appointment Recorded in Washoe County
No. 00-1265-2 - Expires March 12, 2002

Esther M. Sexton
NOTARY PUBLIC

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EXHIBIT A

Legal Description

PARCEL 1

All that real property situate in the County of Douglas, State of Nevada, described as follows:

** Lots 120, 121, 122, 123, 152, 153 and 154, of TOPAZ SUBDIVISION, according to the map thereof, filed in the office of the County Recorder of Douglas County, State of Nevada, on August 10, 1954, as File No. 9774.

TOGETHER WITH that real property lying and being in Section 29, Township 10 North, Range 22 East, M.D.B. & M., Douglas County, State of Nevada, and more particularly described as follows:

Commencing at a point on the Northwest corner of Lot 123 of the Topaz Subdivision as recorded August 10, 1954, in the Official Records of Douglas County, Nevada; said point being the TRUE POINT OF BEGINNING;

thence West, a distance of 60.00 feet;

thence South 00°04' West, a distance of 420.00 feet;

thence East, a distance of 60.00 feet to the Southwest corner of Lot 120 of aforesaid subdivision;

thence North 00°04' East, a distance of 420.00 feet to the TRUE POINT OF BEGINNING.

ALSO TOGETHER WITH all that certain piece or parcel of land situated in the Southwest Quarter of Section 29, Township 10 North, Range 22 East, M.D.B. & M., Douglas County, State of Nevada, and more particularly described as follows:

Beginning at the intersection of the West line of Genoa Street and the South line of Topaz Subdivision, as shown on the map thereof, filed in the office of the County Recorder of Douglas County, Nevada, on August 10, 1954;

thence North 0°04' East along said West line of Genoa Street, a distance of 154.86 feet to the TRUE POINT OF BEGINNING;

thence continuing North 0°04' East 265.14 feet to the South line of Kit Carson Avenue, as shown on the map of Topaz Subdivision;

thence West 385.87 feet to a point on the Easterly right of way curve of U.S. Highway 395 as described in the conveyance to the State of Nevada, recorded August 31, 1948, in Book Y of Deeds, Page 474, Douglas County, Nevada, records;

thence Southeasterly along a curve having a radius of 4,575 feet subtending a central angle of 3°28'38" an arc distance of 277.71 feet to a point;

thence leaving said right-of-way line East, a distance of 303.29 feet to the TRUE POINT OF BEGINNING.

All that certain piece or parcel situate in the Southwest Quarter of Section 29, Township 10 North, Range 22, East, M.D.B. & M., described as follows:

Beginning at a 7/8 inch iron bar at the intersection of the West line of Genoa Street and the South line of TOPAZ SUBDIVISION, according to the map thereof, filed in the office of the County Recorder of Douglas County, Nevada, on August 10, 1954, under Document No. 9774, Douglas County, Nevada Records;

thence from the POINT OF BEGINNING North 0°04' East along the West line of Genoa Street a distance of 154.86 feet to a 7/8 inch iron bar;

thence West 303.29 feet, to a point in the Easterly right-of-way line of U.S. Highway 395, as described in the conveyance to the State of Nevada, recorded August 31, 1948, in Book Y of Deeds, Page 473, Douglas County, Nevada Records;

thence along said highway right-of-way line along a curve to the right having a radius of 4575 feet, through an angle of 2°00'12", for an arc distance of 160.00 feet, to the intersection thereof, with the North line of the parcel conveyed to the M.K. & D. Company, recorded April 1, 1955, in Book B-1 of Deeds, Page 316, Douglas County, Nevada Records;

thence East along the line common to said M.K. & D. Company parcel, a distance of 263.06 feet to the POINT OF BEGINNING.

ALSO TOGETHER WITH all that certain piece or parcel of land situate in the County of Douglas, State of Nevada, described as follows:

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Legal Description - Continued

A parcel of land being a portion of the Northwest 1/4 of the Southwest 1/4 of Section 29, Township 10 North, Range 22 East, M.D.B. & M., Douglas County, Nevada and more particularly described as follows:

Commencing at the Southwest corner of Lot 152, of TOPAZ SUBDIVISION, according to the map thereof, filed in the office of the County Recorder of Douglas County, State of Nevada, on August 10, 1954;
thence West a distance of 60 feet to the TRUE POINT OF BEGINNING;
thence continuing West, a distance of 406.39 feet more or less, to a point in the curve of the Easterly right-of-way line of U.S. Highway 395, and
thence a Radial bearing South 70°20'59" West;
thence Northerly along said right-of-way line through a curve whose central angle is 3°45'26" having a radius of 4,574.00 feet, an arc length of 300.00 feet to a point;
thence South 89°57'00" East, a distance of 516.83 feet to a point in the Westerly line of Genoa Street (60 feet in width);
thence South 0°04'00" West along said Westerly line, a distance of 288.50 feet to the TRUE POINT OF BEGINNING.

ALSO TOGETHER WITH all that real property lying and being in the Southwest 1/4 of Section 29, Township 10 North, Range 22 East, M.D.B. & M., Douglas County, State of Nevada, and more particularly described as follows:

Commencing at the Southwest corner of Lot 152 of TOPAZ SUBDIVISION, as recorded August 10, 1954;
thence West 60.00 feet to the TRUE POINT OF BEGINNING;
thence West, a distance of 406.39 feet more or less to a point on the Easterly right-of-way of U.S. Highway 395;
thence in a generally Southerly direction along the Easterly right-of-way of U.S. Highway 395 to the Northwest corner of that certain parcel of land as defined on Page 4 of Exhibit A as recorded in Book 784, Page 138, of County Records, said point being further defined as lying on the South right-of-way line of Kit Carson Avenue per aforesaid subdivision;
thence East, a distance of 385.87 feet more or less to the Southwest corner of Kit Carson Avenue with Genoa Street per aforesaid subdivision;
thence North 00°04' East, a distance of 60.00 feet to the TRUE POINT OF BEGINNING.

ALSO TOGETHER WITH commencing at a point on the Northeast corner of that certain parcel of land as defined in Book 1084, Page 2650, of County Records, said point being the TRUE POINT OF BEGINNING;
thence East, 60.00 feet, to the Easterly right-of-way line of Genoa Street as shown on the TOPAZ SUBDIVISION (as recorded August 10, 1954)
thence South 00°04' West along the Easterly right-of-way line of Genoa Street to the Southwest corner of Lot 152 of the aforesaid TOPAZ SUBDIVISION;
thence East 200 feet to the Southeast corner of aforesaid Lot 152;
thence South 00°04' West, 60 feet to the Northeast corner of Lot 123 of the aforesaid TOPAZ SUBDIVISION;
thence West along the Southerly right-of-way line of Kit Carson Avenue to the Southwest corner at the intersection of Kit Carson Avenue with Genoa Street;
thence North 00°04' East along the Westerly right-of-way of Genoa Street to the TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM a general Public Utility Easement being a strip of land, 10 feet in width, (measured at right angles) lying 5 feet on both sides of the following described centerline being in portions of the former Kit Carson Avenue right-of-way as shown on the TOPAZ SUBDIVISION, recorded August 10, 1954 and being more particularly described as follows:

Section 1

Beginning at the Northeast corner of Lot 123 of said TOPAZ SUBDIVISION;
thence North 0°04'00" East, 5.00 feet to the TRUE POINT OF BEGINNING;
thence 89°59'04" West, 524.00 feet to an angle point in said centerline;
thence South 55°14'05" West, 5 feet to the end thereof.

Section 2

Beginning at the angle point in the above described Section 1;

Legal Description - Continued

thence North 89°59'04" West, 22.00 feet to the end thereof.

A.P.N. 39-121-08

PARCEL 2

A parcel of land on the East side of U.S. Highway 395 in the South 1/2 of the Southwest 1/4 of Section 29, Township 10 North, Range 22 East, M.D.B. & M. in Douglas County, Nevada, more fully described as follows:

BEGINNING at a point which the 1/4 corner of the South boundary of said Section 29 lies East 1,070.00 feet and South 225 feet;

thence West parallel to the South line of Section 29, 416.84 feet to a point on the East right-of-way line of Highway 395;

thence following the said right-of-way line Northerly on a curve to the left with a radius of 4,575 feet from a tangent bearing to the left with a radius of 4,575 feet from a tangent bearing North 5°23'40" West, a distance of 608.90 feet,

thence East 519.13 feet

thence South 600 feet to the POINT OF BEGINNING.

A.P.N. 39-142-11

PARCEL 3

All that certain property situate in the County of Douglas, State of Nevada, located in the South 1/2 of the Southwest 1/4 of Section 29, Township 10 North, Range 22, East, M.D.B. & M., in Douglas County, Nevada, more particularly described as follows:

BEGINNING at a point on the South line of said Section 29, from which the South 1/4 corner thereof bears East 1,076.30 feet;

thence along the said Section line West 394.00 feet to the Easterly right-of-way line of U.S. Highway 395;

thence Northerly along said right-of-way line following a curve to the left with a radius of 4,575 feet, through an angle of 2°49'35" from a tangent bearing of 2°56'44" length of 225.69 feet;

thence East 411.24 feet;

thence South 225.00 feet to the TRUE POINT OF BEGINNING

A.P.N. 39-142-03

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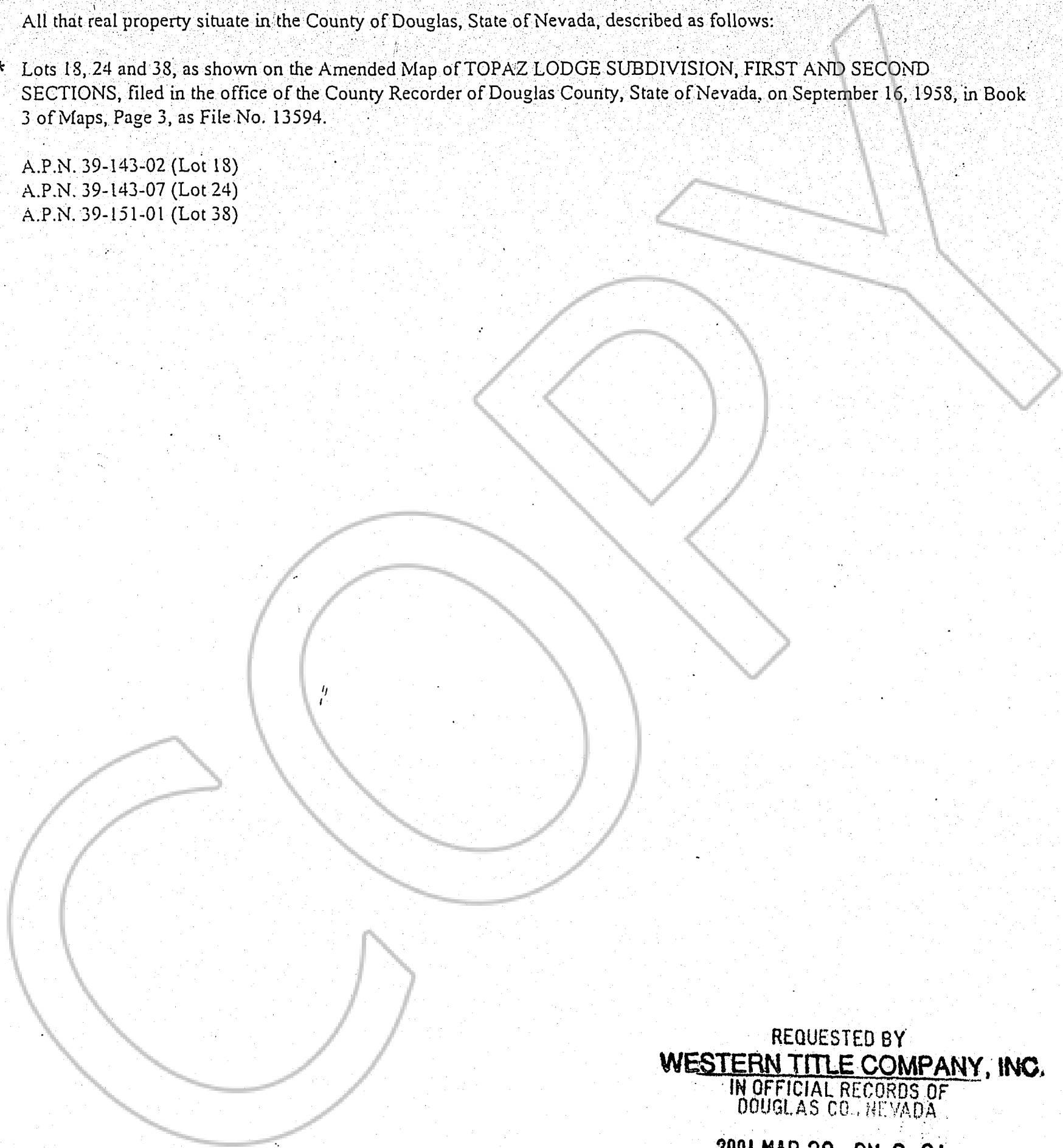
EXHIBIT A- CONTINUED

Legal Description

All that real property situate in the County of Douglas, State of Nevada, described as follows:

** Lots 18, 24 and 38, as shown on the Amended Map of TOPAZ LODGE SUBDIVISION, FIRST AND SECOND SECTIONS, filed in the office of the County Recorder of Douglas County, State of Nevada, on September 16, 1958, in Book 3 of Maps, Page 3, as File No. 13594.

- A.P.N. 39-143-02 (Lot 18)
- A.P.N. 39-143-07 (Lot 24)
- A.P.N. 39-151-01 (Lot 38)



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

2001 MAR 29 PM 3: 01

LINDA SLATER
RECORDER

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