

A. P. Nos. 1320-29-401-004
1320-29-401-002
1320-30-803-004
1320-29-301-002
1320-29-401-010
1320-29-401-009
1320-29-401-005
1320-29-401-003

Douglas County - NV
Werner Christen - Recorder
Page: 1 Of 47 Fee: 60.00
BK-0305 PG- 6359 RPTT: 0.00



When recorded mail to:

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Henderson & Morgan, LLC
4600 Kietzke Lane, Suite K228
Reno, NV 89502

050100534

**DEED OF TRUST, FIXTURE FILING AND
SECURITY AGREEMENT WITH ASSIGNMENT OF RENTS**

NOTICE: THIS DEED OF TRUST SECURES AGGREGATE CREDIT IN THE MAXIMUM PRINCIPAL AMOUNT OF TWELVE MILLION DOLLARS (\$12,000,000.00), TOGETHER WITH: (i) INTEREST ON THE OUTSTANDING PORTION OF SAID PRINCIPAL AMOUNT; AND (ii) OTHER AMOUNTS DESCRIBED HEREIN. THE OBLIGATIONS SECURED HEREBY INCLUDE REVOLVING CREDIT OBLIGATIONS, WHICH PERMIT BORROWING, REPAYMENT AND REBORROWING, ALL SUBJECT TO THE TERMS AND CONDITIONS OF THE CREDIT AGREEMENT AND THE NOTES THAT ARE REFERRED TO HEREIN. INTEREST ON OBLIGATIONS SECURED HEREBY ACCRUES AT RATES THAT MAY FLUCTUATE FROM TIME TO TIME.

THIS DEED OF TRUST, FIXTURE FILING AND SECURITY AGREEMENT WITH ASSIGNMENT OF RENTS (the "Deed of Trust") is made as of the 14th day of March, 2005 by and among CARSON VALLEY INN, INC., a Nevada corporation ("CVII") and MULREANY ASSOCIATES, LLC, a Nevada limited liability company ("MALLC"), as trustors and debtors (hereinafter collectively referred to as "Trustors"), STEWART TITLE OF DOUGLAS COUNTY, a Nevada corporation, as trustee (hereinafter referred to as "Trustee"), and IRWIN UNION BANK & TRUST COMPANY, as Agent Bank on behalf of the Term Lenders and R/C Lender, all of which are defined and described in the Credit Agreement referred to below, as secured party and beneficiary (together with its successors and assigns, in such capacity, hereinafter referred to as "Beneficiary").

W_I_T_N_E_S_S_E_T_H:

THAT TRUSTORS:

Grant, bargain, sell, transfer, convey and assign the following described real property and related collateral to Trustee, in trust, with power of sale, to have and to hold the same unto Trustee and its successors in interest for and on behalf of Beneficiary upon the trusts, covenants and agreements herein expressed:

DESCRIPTION OF COLLATERAL

All right, title and interest of each Trustor which is now owned or hereafter acquired in, or to, that certain real property situate in the County of Douglas, State of Nevada, that is more particularly described on that certain exhibit marked Exhibit "A", affixed hereto and by this reference incorporated herein and made a part hereof (the "Land"), together with and including, without limitation:

(a) All right, title and interest of each Trustor whether now owned or hereafter acquired, in or to any real property lying within the right of way of any street, open or proposed, which adjoins any of said Land and any and all sidewalks, bridges, elevated walkways, tunnels, alleys, strips and gores of real property adjacent to, connecting or used in connection with any of said Land (collectively, the "Adjacent Property");

(b) All buildings, structures and all other improvements and fixtures that are, or that may be hereafter erected or placed on, or in, the Land and all right, title and interest of each Trustor which is now owned or hereafter acquired, in or to, all buildings, structures and all other improvements and fixtures that are, or that may be hereafter, erected or placed on, or in, any of the Adjacent Property (collectively, the "Improvements");

(c) All water rights and conditional water rights that are now, or may hereafter be, appurtenant to, used in connection with or intended for use in connection with the Land, the Adjacent Property and/or the Improvements, including, without limitation: (i) ditch, well, pipeline, spring and reservoir rights, whether or not adjudicated or evidenced by any well or other permit; (ii) all rights with respect to groundwater underlying the Land or the Adjacent Property; (iii) any permit to construct any water well, water from which is intended to be used in connection with the Land or the Adjacent Property; and (iv) all right, title and interest of each Trustor under any decreed or pending plan of augmentation or water exchange plan



(collectively, the "Water Rights", and together with the Land, the Adjacent Property and the Improvements, the "Real Estate");

(d) All present and future interest of each Trustor as lessor, sublessor, licensor, concessionor, franchisor, grantor, or similar party to any lease, sublease, license, concession, franchise and other use or occupancy agreement now or hereafter relating to any of the Real Estate and all renewals, extensions, amendments, restatements and other modifications thereof (collectively, the "Occupancy Agreements");

(e) All present and future rents, issues, products, earnings, revenues, payments, profits, royalties and other proceeds and income of the Real Estate, and of any activities conducted thereon or in connection therewith, regardless of whether such proceeds or income accrue by virtue of the Occupancy Agreements, or otherwise (collectively, the "Rents"), subject, however, to the absolute assignment given to Beneficiary in Section 9 hereof entitled Assignment of Rents, and to which Section this grant to the Trustee is subject and subordinate;

(f) All right, title and interest of each Trustor, whether now owned or hereafter acquired, in, or to, any and all present and future awards or payments, including without limitation, interest on them, and the right to receive them, which may be made with respect to the Real Estate, the Occupancy Agreements, and/or the Rents as a result of: (i) the exercise of the right of eminent domain; (ii) the alteration of the grade of any street; (iii) any loss of or damage to any building or other improvement included in the Real Estate; (iv) any other injury to or decrease in the value of the Real Estate, the Occupancy Agreements, and/or the Rents (including, without limitation, proceeds of any policy of insurance); and (v) any refund due on account of the payment of real estate taxes, assessments or other charges levied against or imposed upon the Real Estate, the Occupancy Agreements, and/or the Rents (collectively, the "Awards");

(g) All development rights, governmental or quasi-governmental licenses, permits or approvals, zoning rights and other similar rights or interests which relate to the development, use or operation of, or that benefit or are appurtenant to, any portion of the Real Estate (collectively, the "Entitlements");

(h) All and singular the tenements, easements, hereditaments and appurtenances now, or hereafter, belonging to or in any wise

appertaining to the Real Estate, the Rents, the Awards, the Entitlements and the reversion and reversions, remainder and remainders thereof and all the estate, right, title, interest or other claim which each Trustor now has or hereafter may acquire of, in and to the Real Estate, the Occupancy Agreements, the Rents, the Awards, the Entitlements and/or any part thereof, with the appurtenances thereto (collectively, the "Other Interests"); and

(i) All right, title and interest of each Trustor, whether now owned, or hereafter acquired, in or to, the Personal Property which is referred to below.

The Real Estate, the Occupancy Agreements, the Rents, the Awards, the Entitlements and the Other Interests are hereinafter collectively referred to as the "Real Property." The Real Property includes, without limitation, all right, title and interest which each Trustor now has or may hereafter acquire under that certain Ground Lease dated September 15, 1988, by and between Mulreany Associates, a Nevada general partnership (the predecessor in interest to MALLC), as lessor, and CVII, as lessee (together with all extensions, renewals, amendments, restatements and other modifications thereof, the "Ground Lease"), pursuant to which, among other things: (i) MALLC is the lessor, and CVII is the lessee, of Parcels 1 through 5 and 7 of the Land, as set forth on Exhibit "A" attached hereto (the "Leasehold Land"); and (ii) CVII is the owner of all Improvements situate on the Leasehold Land; all subject to the terms and conditions set forth therein. Record notice of the Ground Lease is given pursuant to that certain Memorandum of Lease, dated October 13, 1988, that was recorded in the Official Records of Douglas County, Nevada on October 14, 1988, in Book 1088, at Page 1730, as Document No. 188513, and re-recorded on October 26, 1988 in Book 1088, at Page 3634, as Document No. 189474.

It is intended that the lien and security interest of this Deed of Trust shall encumber both the lessor's interest and the lessee's interest under the Ground Lease and that the Ground Lease shall be subordinate to the lien and security interest of this Deed of Trust. Upon the acquisition of such interests in the Ground Lease pursuant to the exercise of Beneficiary's remedies hereunder: (i) all interests of Trustors in and to the Ground Lease shall merge into the title to the Real Property and Beneficiary (and/or its successors and assigns) shall hold the Real Property free and clear, in all respects, of all interests of Trustors under the Ground Lease; and (ii) all interests in the Real Property which may exist or otherwise be held by each of the Trustors under the Ground Lease shall be terminated and of no further force or effect.



THAT TRUSTORS:

Grant a security interest to Beneficiary in the following described collateral, which Trustors now have or may hereafter acquire, pursuant to applicable provisions of the Commercial Code (which is defined by Section 27 below):

DESCRIPTION OF COLLATERAL

All right, title and interest of each Trustor, which is now owned, or hereafter acquired, in or to, any of the following described personal property, whether now existing or hereafter coming into existence (collectively, the "Personal Property"):

(a) All present and future: (i) accounts; (ii) chattel paper; (iii) commercial tort claims; (iv) deposit accounts; (v) documents; (vi) equipment, inventory and other goods of any kind or nature; (vii) instruments; (viii) investment property; (ix) letter of credit rights; (x) money; (xi) general intangibles; and (xii) proceeds of any of the foregoing; all as defined by Article 9 of the Uniform Commercial Code as enacted in the State of Nevada;

(b) All present and future chattels, furniture, furnishings, machinery, tools, apparatus, fixtures, building materials, building contents and building components, all of every kind and nature, and all other tangible personal property: (i) which is used in connection with, situate in or on, affixed to, or incorporated into any portion of the Real Property; (ii) which is used in connection with, situate in or on, affixed to, or incorporated into, any building, structure or other improvement that is now or that may be hereafter constructed on or under the Real Property; and/or (iii) in which Trustors, or either of them, otherwise have or acquire an interest; all including, without limitation: (aa) all lumber, bricks, cement, masonry, steel, doors, windows, fasteners, nails, bolts, scaffolding, tools, construction supplies, construction equipment and all other building materials, supplies and equipment of any kind or nature; (bb) all air conditioning, heating, electrical, lighting, fire fighting and fire prevention, plumbing, food and beverage preparation, laundry, security, sound, signaling, telephone, television, entertainment stage, window washing, irrigation, storage, shop, landscaping, and other equipment and fixtures, of whatever kind or nature, consisting of, without limitation, air conditioners, compressors, fans, duct work, thermostats, furnaces, boilers, radiators, burners, wiring, conduits, cables, generators, transformers, switching gear, lighting fixtures, sprinkler systems and other fire extinguishing equipment, fire alarms and other fire detection equipment, piping, pumps, valves, sinks, toilets, tubs, motors, carts, elevators and other lifts, ovens, refrigerators, dishwashers and dishwashing equipment, fabric washing and drying equipment, lock and key systems, surveillance and entry detection systems, speakers, intercoms and public address systems, hardware, shelving, maintenance and repair equipment and all other similar items; (cc) all furniture, furnishings, wall coverings,

floor coverings, window coverings, artwork and decorative items including, without limitation, casino, guest room, bathroom, lobby, bar, restaurant, storage, retail, meeting, convention, leisure, recreation, office, administrative and other furniture, furnishings, wall coverings, floor coverings, window coverings, artwork and decorative items; (dd) all hotel equipment and supplies, including without limitation, televisions, radios, telephones, linen, bedding, amenities, carts, recreational equipment, leisure equipment and all other equipment and supplies utilized in the occupation or renting of hotel guest rooms and public areas; (ee) all bar and restaurant equipment and supplies, including, without limitation, kitchen and bar appliances, pots, pans, plates, dishes, cups, glasses, serving utensils, cooking utensils and all other equipment and supplies used in the operation of bars and/or restaurants; (ff) all casino equipment and supplies including, without limitation, slot machines, gaming tables, cards, dice, gaming chips, player tracking systems, Gaming Devices and Related Equipment as defined in Nevada Revised Statutes Chapter 463 and all other equipment and supplies utilized in operation of a casino; (gg) all cabaret, stage and entertainment equipment and supplies including, without limitation, stage equipment, sets, spotlights, sound equipment, musical instruments and other equipment and supplies utilized in the operation of stage and cabaret shows and other entertainment productions; (hh) all office and administrative equipment and supplies including, without limitation, office appliances, filing cabinets, computers, peripheral computer equipment and other data processing and storage equipment, stationery and other office supply items, and other office and administrative equipment and supplies; (ii) all indoor and outdoor pool and recreational equipment and supplies; (jj) all tools and other maintenance and repair equipment; (kk) all landscaping equipment and supplies; and (ll) all equipment and supplies utilized in connection with any other activity engaged in by Trustors, or either of them;

(c) All present and future supplies, stock in trade, product components and raw materials which are used in connection with, or in the conduct of, the business of Trustors (or either of them) or in which Trustors (or either of them) have or acquire an interest, including, without limitation: (i) tangible property held for sale or lease or to be furnished under a contract of service, all raw materials, work in process and finished goods, all packing materials and containers relating to or used in connection with any of the foregoing, and all bills of lading, warehouse receipts or documents of title relating to any of the foregoing; (ii) all food stuffs, beverages, prepared food and other similar items; and (iii) all hotel amenities, cleaning supplies, office supplies, consumables and similar items;

(d) All present and future movable tangible property, which is not otherwise set forth herein, and which is used in connection with, or in the conduct of, the business of Trustors (or either of them) or in which Trustors (or either of them) have or acquire an interest;

(e) All present and future accounts receivable, rentals, deposits, rights to payment, negotiable instruments, writings evidencing a right to payment and/or a security interest, documents of title, guaranties, undertakings, surety bonds, insurance policies and notes and drafts which are owned, or used in connection with, or in the conduct of, the business of Trustors (or either of them), or in which Trustors (or either of them) have or acquire an interest, however created or arising;

(f) All present and future contracts, or agreements and all other present and future entitlements which are owned, or used in connection with, or in the conduct of, the business of Trustors (or either of them), or in which Trustors (or either of them) have or acquire an interest, including, without limitation: (aa) all leases and purchase contracts for equipment, furniture and/or fixtures of any kind and character relating to the Real Property and the businesses conducted thereon; and (bb) all goodwill, choses in action, trade secrets, customer lists, trademarks, trade names and service marks, patents, copyrights, technology, software, processes, and proprietary information which are owned, or used in connection with, or in the conduct of, the business of Trustors (or either of them), or in which Trustors (or either of them) have or acquire an interest (including, without limitation, the trade name of "Carson Valley Inn" and/or any derivation thereof including any and all state and federal registrations thereof);

(g) All present and future depository accounts which are owned, or used in connection with, or in the conduct of, the business of Trustors (or either of them), or in which Trustors (or either of them) have or acquire an interest including, without limitation, any demand, time, savings, passbook or like account maintained with any bank, savings and loan association, credit union or like organization, and all money, cash and cash equivalents of Trustors (or either of them), whether or not deposited in any such deposit account;

(h) All present and future revenues, receipts, profits, payments and income of any nature whatsoever, in which Trustors (or either of them) now own or hereafter acquire an interest, regardless of whether such items are derived from or received with respect to hotel rooms, banquet facilities, convention facilities, retail premises, bars, restaurants, casinos or any other facilities on the Real Property and regardless of whether such items are derived from any other source;

(i) All present and future information, books, records, computer hardware, computer peripheral equipment, software and computer systems which are owned, or used in connection with, or in the conduct of, the business of Trustors (or either of them), or in which Trustors (or either of them) have or acquire an interest including, without limitation: (aa) books of account and ledgers of every kind and nature, all electronically recorded data relating to Trustors or any of their businesses, all receptacles and containers for such records, and all files and correspondence; (bb) all



player tracking, slot club, and customer monitoring information, software, computers, equipment and systems; (cc) all other hotel, casino, bar, restaurant and hospitality information, software, computers, equipment and systems; and (dd) all licenses, contracts, leases and other agreements and entitlements relating to any such items;

(j) All present and future stocks, bonds, debentures, certificated and uncertificated securities, subscription rights, options, warrants, puts, calls, certificates, partnership interests, joint venture interests, investments, security accounts, commodity accounts, and/or brokerage accounts which are owned, or used in connection with, or in the conduct of, the business of Trustors (or either of them), or in which Trustors (or either of them) have or acquire an interest and all rights, preferences, privileges, dividends, distributions, redemption payments, or liquidation payments with respect thereto;

(k) All right, title and interest of each Trustor in and to all leases, licenses, concessions, or similar agreements whether or not specifically herein described which now or may hereafter pertain to the Real Property and all amendments to the same, including, but not limited to the following: (aa) all payments due and to become due under such agreements, whether as rent, damages, insurance payments, condemnation awards, or otherwise; (bb) all claims, rights, powers, privileges and remedies under such agreements; and (cc) all rights of each Trustor under such leases to exercise any election or option, or to give or receive any notice, consent, waiver or approval, or to accept any surrender of the premises or any part thereof, together with full power and authority in the name of Trustors or otherwise, to demand and receive, enforce, collect, or receipt for any or all of the foregoing, to endorse or execute any checks or any instruments or orders, to file any claims or to take any action which Beneficiary may deem necessary or advisable in connection therewith;

(l) All plans, specifications, soil reports, engineering reports, land planning maps, surveys, and any other reports, exhibits or plans used or to be used in connection with the construction, planning, operation or maintenance of the Real Property, together with all amendments and modifications thereof;

(m) The Water Rights;

(n) The Awards;

(o) The Entitlements;

(p) All other tangible and intangible property of each Trustor;



(q) All present and future accessions, appurtenances, components, repairs, repair parts, spare parts, replacements, substitutions, additions, issue and/or improvements to or of or with respect to any of the foregoing;

(r) All rights, remedies, powers and/or privileges of each Trustor with respect to any of the foregoing; and

(s) Any and all proceeds, products, rents, income and profits of any of the foregoing, including, without limitation, all money, entitlements, rights to payment and any other tangible or intangible property received upon the sale or disposition of any of the foregoing.

SUBJECT, HOWEVER, to the following:

(i) The right of Trustors to sell or otherwise dispose of Personal Property in the ordinary course of business, free and clear of the lien hereof, provided, and to the extent, that such sale or other disposition is permitted under the terms of the Credit Agreement (which is referred to below); and

(ii) As to the fixtures and equipment covered hereby, the leases and/or purchase money security interests pursuant to which Trustors (or either of them) have acquired an interest in such fixtures and equipment provided, and to the extent, that such leases and/or purchase money security interests are permitted under the terms of the Credit Agreement;

The Real Property and the Personal Property described hereinabove are hereinafter collectively referred to as the "Property." The parties intend for this Deed of Trust to create a lien on and security interest in the Property, and, as provided in Section 9 hereof entitled Assignment of Rents, an absolute assignment of the Rents, all in favor of Beneficiary. To the extent any of said Property and/or Rents are not encumbered by a perfected lien or security interest created above, and are not absolutely assigned by the assignment set forth in Section 9 below, it is the intention of the parties that such Property and/or Rents shall constitute "proceeds, product, offspring, rents or profits" (as defined in and for the purposes of Section 552(b) of the United States Bankruptcy Code, as such section may be modified or supplemented) of the Real Property and/or "fees, charges, accounts, or other payments for the use or occupancy of rooms and other public facilities in . . . lodging properties," as applicable (as such terms are defined in and for the purpose of Section 552(b) of the United States Bankruptcy Code, as such Section may be modified or supplemented).



FOR THE PURPOSE OF SECURING:

A. Payment when due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise (including payment of amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code, 11 U.S.C. § 362(a)), of: (i) the principal sum of Ten Million Five Hundred Thousand Dollars (\$10,500,000.00), which amount has been funded, and remains unpaid, under the Term Loan (as defined in the Credit Agreement); (ii) interest and other charges accrued on said principal sum, or accrued on interest and other charges then outstanding under the Term Loan (all including, without limitation, interest and other charges that would accrue on such obligations, but for the filing of a petition in bankruptcy with respect to Trustors, or either of them; and (iii) any other obligations of Trustors under the Term Note referred to below; all according to the terms of a Term Promissory Note dated concurrently, or substantially concurrent, herewith which is made by Trustors and is payable to the order of Beneficiary according to the tenor and effect of said Term Promissory Note, and all renewals, extensions, amendments, restatements, replacements, substitutions and other modifications thereof (hereinafter collectively referred to as the "Term Note").

B. Payment when due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise (including payment of amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code, 11 U.S.C. §362(a)), of: (i) the principal sum which is, at any time, advanced and unpaid under the Revolving Credit Facility (as defined in the Credit Agreement, referred to below), not to exceed One Million Five Hundred Thousand Dollars (\$1,500,000.00) at any one time, all on a revolving line of credit basis; (ii) interest and other charges accrued on said principal sum, or accrued on interest and other charges then outstanding under the Revolving Credit Facility (all including, without limitation, interest and other charges that, but for the filing of a petition in bankruptcy with respect to Trustors, or either of them, would accrue on such obligations); and (iii) any other obligations of Trustors under the RLC Note referred to below; all according to the terms of a Revolving Credit Note dated concurrently, or substantially concurrent, herewith which is made by Trustors and is payable to the order of Beneficiary according to the tenor and effect of said Revolving Credit Note, and all renewals, extensions, amendments, restatements, replacements, substitutions and other modifications thereof (hereinafter collectively referred to as the "RLC Note" and, together with the Term Note, as the "Notes").

C. Payment and performance of every obligation, covenant, promise and agreement of Trustors, or either of them, herein contained or incorporated herein by reference (other than obligations which Trustors, or either of them, may have under Section 2 hereof to make payment or perform under the Environmental Certificate

which is defined by Section 30 below), including, without limitation, reimbursement of any sums paid or advanced by Beneficiary pursuant to the terms hereof.

D. Payment of the expenses and costs incurred or paid by Beneficiary in the preservation and enforcement of the rights and remedies of Beneficiary and the duties and liabilities of Trustors hereunder, including, but not by way of limitation, reasonable attorney's fees, court costs, witness fees, expert witness fees, collection costs, Trustee's fees and costs of a Trustee's Sale Guarantee, and reasonable costs and expenses paid by Beneficiary in performing for the account of Trustors any obligation of said Trustors.

E. Payment of any sums which may hereafter be owing by Trustors (or either of them) to Beneficiary, or to any of its affiliates, under the terms of any interest rate swap agreement, interest rate cap agreement, basis swap agreement, forward rate agreement, interest collar agreement or interest floor agreement to which Trustors (or either of them) may be a party, or under any other agreement or arrangement to which Trustors (or either of them) may be a party, which in each case is designed to protect Trustors (or either of them) against fluctuations in interest rates or currency exchange rates with respect to any other indebtedness secured by the Deed of Trust.

F. Payment of additional sums and interest thereon which may hereafter be loaned to Trustors (or either of them) by Beneficiary when evidenced by a promissory note or notes which recite that this Deed of Trust is security therefor.

G. Performance and payment of every obligation, warranty, representation, covenant, agreement and promise of Trustors, or either of them, contained in, or established by, that certain Credit Agreement (together with all extensions, renewals, amendments, restatements, substitutions and other modifications thereof, the "Credit Agreement") executed concurrently, or substantially concurrent, herewith by and among Trustors, as Borrowers, Patrick A. Mulreany and Jean E. Mulreany as Guarantors, the Term Lenders therein named (each, together with their respective successors and assigns, and together with any other entity which hereafter becomes a Term Lender under the Credit Agreement, being individually referred to herein as a "Term Lender" and collectively referred to herein as the "Term Lenders"), the R/C Lender therein named (together with its successors and assigns, referred to herein as the "R/C Lender"), and Irwin Union Bank & Trust Company, as administrative and collateral agent for the Term Lenders and the R/C Lender (referred to herein, in such capacity, together with its successors and assigns, as the "Agent Bank" and, together with the Term Lenders and the R/C Lender, collectively referred to herein as the "Banks"), excluding, however, any obligation which either of the Trustors may have thereunder to perform any obligations under the Environmental Certificate.



H. Performance and payment of every obligation, warranty, representation, covenant, agreement and promise of Trustors (or either of them) contained in, or established by, any of the Loan Documents, which are defined in the Credit Agreement (other than the Environmental Certificate).

I. Future Advances (as defined by NRS 106.320, as it may be amended or recodified from time to time) in an aggregate principal amount not to exceed One Million Five Hundred Thousand Dollars (\$1,500,000.00) at any one time (collectively, the "Chapter 106 Advances").

The foregoing are collectively referred to herein as the "Secured Obligations." The Secured Obligations include, without limitation, the obligation to repay advances under the Revolving Credit Facility, together with accrued interest thereon, which advances may include, without limitation: (i) future advances which are made subsequent to the date when this Deed of Trust is recorded in the office of the County Recorder of Douglas County, Nevada; and (ii) revolving credit advances which are made after the credit amount being advanced has previously been borrowed or reborrowed and thereafter repaid; all including, without limitation, advances which are made when the principal balance of the Secured Obligations is zero (\$0.00). All such advances shall be secured to the same extent, and with the same priority, as if they were each made on the date hereof. Interest accrues, as part of the Secured Obligations, at interest rates which may vary from time to time. All persons who may have or acquire an interest in all or any part of the Property will be considered to have notice of, and will be bound by, the terms of the Secured Obligations and each other agreement or instrument made or entered into in connection with each of the Secured Obligations.

It is the intention of Trustors and Beneficiary, and Trustors and Beneficiary hereby acknowledge and agree, that: (i) to the extent, and only to the extent, that the Deed of Trust secures any Chapter 106 Advances, it shall constitute an "instrument" (as defined in NRS 106.330 as amended and recodified from time to time) which secures "future advances" (as defined in NRS 106.320 as amended and recodified from time to time) and which is governed pursuant to NRS 106.300 through 106.400 as amended and recodified from time to time; (ii) the lien of the Deed of Trust shall secure the obligation of Trustors (or either of them) to repay all such "future advances" with the priority set forth in NRS 106.370(1) as amended and recodified from time to time; and (iii) the lien and security interest of the Deed of Trust as security for the Chapter 106 Advances shall be in addition to, and not in place of, the lien and security interest of the Deed of Trust as security for the other Secured Obligations.



AND THIS INDENTURE FURTHER WITNESSETH:

1. Certain Representations and Warranties of Trustors. Trustors represent, warrant and covenant that:

(a) This Deed of Trust creates a first priority deed of trust lien and/or, to the extent applicable, a first priority security interest on the Property, subject only to Permitted Encumbrances (as defined in the Credit Agreement); and

(b) Neither Trustors, nor any of their Affiliates (as defined in the Credit Agreement), have any interest in any real property (other than interests of MALLC in the Real Property commonly referred to as 1639 Highway 395 North, in Minden, Nevada and designated as Douglas County Assessor's Parcel No. 1320-29-401-001), not encumbered hereby, which is utilized in any material manner in connection with the use and/or operation of said Real Property or which is necessary and required for the use and operation of said Real Property.

2. Payment of Secured Obligations. Trustors shall pay, or cause to be paid, when due: (i) the principal of, and interest on, the indebtedness evidenced by the Notes; (ii) all charges, fees and other sums as provided in the Loan Documents (as defined in the Credit Agreement) including, without limitation, all reasonable costs, fees and expenses of this trust incurred by Beneficiary in connection with any default hereunder or under the Credit Agreement; (iii) the principal of, and interest on, any future advances secured by this Deed of Trust; and (iv) the principal of, and interest on, any other indebtedness secured by this Deed of Trust.

3. Compliance with Laws. Trustors shall comply in all material respects with all applicable material existing and future laws, rules, regulations, orders, ordinances and requirements of all Governmental Authorities (as defined in the Credit Agreement), and with all recorded covenants and restrictions affecting the Real Property.

4. Maintenance of Property. Except to the extent that any of the following would be prohibited under, or would constitute a violation of, the terms and conditions of the Credit Agreement, Trustors agree: (a) to properly care for and keep said Property in good condition and repair; (b) not to remove, demolish or substantially alter the structural integrity of any material building on the Real Property, except upon the prior written consent of Beneficiary; (c) to complete promptly and in a good and workmanlike manner any building or other improvement which may be constructed thereon, and to pay when due all claims for labor performed and materials furnished therefor (subject to Trustors' right to contest the validity or amount of mechanic's and/or materialman's liens in accordance with Section 5.04 of the Credit Agreement); (d) not to commit or permit any waste or deterioration of the Property (ordinary wear

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and tear, casualty and condemnation excepted); (e) not to commit, suffer or permit any act to be done, or condition to exist, in or upon said Property in material violation of any law, covenant, condition or restriction now, or hereafter, affecting said Property (including any which require alteration or improvement thereof); (f) to keep and maintain all grounds, sidewalks, roads, parking and landscaped areas situate on the Property in good and neat order and repair; (g) not to drill or extract or enter into any lease for the drilling for or extraction of oil, gas or other hydrocarbon substances or any mineral of any kind or character on or from the Property or any part thereof; (h) not to apply for, willingly suffer or permit any subdivision, change in zoning, change in land use regulation, or inclusion within a general improvement district or similar assessment mechanism, with regard to any portion of the Real Property without the prior written consent of Beneficiary; and (i) except as otherwise permitted in the Credit Agreement, to do all other acts, in a timely and proper manner, which, from the character or use of the Property, may be reasonably necessary to maintain and preserve its value, the specific enumerations herein not excluding the general.

5. Insurance. During the continuance of this trust, Trustors shall obtain, or cause to be obtained, and shall maintain or cause to be maintained, at all times throughout the terms of the Term Loan and the Revolving Credit Facility (collectively, the "Bank Facilities"), at their own cost and expense, and shall deposit with Beneficiary, Certificates of Insurance, and/or such other documentation, all in a form and substance, and at such times, as is required under Section 5.09 of the Credit Agreement. All monies received from "All Risk" insurance policies (including flood and earthquake policies) covering any of the Property shall be paid directly to Beneficiary and: (i) retained by Beneficiary; or (ii) released to Trustors by Beneficiary; all in accordance with Section 8.02 of the Credit Agreement. Nothing in this Deed of Trust shall be deemed to excuse Trustors from restoring, repairing and maintaining the Property, as herein provided, regardless of whether or not insurance proceeds are available for restoration, whether or not any such proceeds are sufficient in amount, or whether or not the Property can be restored to the same condition and character as existed prior to such damage or destruction.

6. Taxes and Assessments. Trustors shall pay all taxes, assessments and other governmental charges or levies affecting said Property, or any part thereof, in the manner required by the Credit Agreement except such taxes, assessments and other governmental levies as are being contested in good faith in the manner provided by Section 4.07 or Section 5.10 of the Credit Agreement.

7. Lien Claims. If any mechanic's lien or materialman's lien shall be recorded, filed or suffered to exist against the Property or any interest therein by reason of any work, labor, services or materials supplied, furnished or claimed to have been supplied and furnished in connection with any work of improvement upon the



Property, said lien or claim shall be paid, released or otherwise discharged of record to the extent required by, and in accordance with, Section 5.04 of the Credit Agreement.

8. Easements. If an easement or other incorporeal right (collectively, an "Easement") constitutes any portion of the Real Property, Trustors shall not amend, change, terminate or modify such Easement, or any right thereto or interest therein, in any material way, without the prior written consent of Beneficiary, which consent may be withheld in Beneficiary's sole discretion, and any such amendment, change, termination or modification without such prior written consent shall be deemed void and of no force or effect. Trustors agree to perform all obligations and agreements with respect to said Easement and shall not take any action or omit to take any action, which would effect or permit the termination thereof. Upon receipt of notice, or otherwise becoming aware, of any default or purported default under any Easement, by any party thereto, Trustors shall promptly notify Beneficiary in writing of such default or purported default and shall deliver to Beneficiary copies of all notices, demands, complaints or other communications received or given by Trustors, or either of them, with respect to any such default or purported default.

9. Assignment of Rents.

(a) Trustors hereby presently, absolutely and unconditionally assign to Beneficiary, which assignment shall be effective without Beneficiary having to first take possession of the Property, all interests of each Trustor in any and all present and future Occupancy Agreements and Rents, reserving unto Trustors the right, prior to the occurrence of any Event of Default (as defined in the Credit Agreement), to collect and retain the Rents as they may become due and payable. Upon the occurrence of any Event of Default as defined in the Credit Agreement, such license reserved to Trustors shall be immediately revoked without further demand or notice, and any Rents, including those past due, unpaid or undetermined, may be collected by Beneficiary or its agent. In addition to any other actions which may be taken by Beneficiary to collect the Rents in accordance herewith, Beneficiary may, at any time, by a receiver to be appointed by a court of competent jurisdiction in accordance with subsection 19(b) below, enter upon and take possession of said Property, or any part thereof, and exercise such rights and remedies as are provided by subsections 19(b) and 19(c) below including, without limitation, suing for or otherwise collecting the Rents (including those past due or unpaid). All Rents collected hereunder, less costs and expenses of operation and collection (including reasonable attorneys' fees), shall be applied towards satisfaction of the Secured Obligations, in such order as is required under the Credit Agreement. The collection of such Rents, and the application thereof as aforesaid, shall not cure or constitute a waiver of any default or notice of default hereunder or invalidate any act done pursuant to such notice. Trustors and Beneficiary intend that this assignment shall be a present, absolute and unconditional assignment, not an assignment for additional security only, and shall, immediately upon the execution hereof, subject to the license

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granted above, give Beneficiary, and its agent, the right to collect the Rents and to apply them as aforesaid. Nothing contained herein, nor any collection of Rents by Beneficiary, or its agent or a receiver, shall be construed to make Beneficiary: (i) a "Mortgagee-in-Possession" of the Property so long as Beneficiary has not itself entered into actual possession of the Property; (ii) responsible for performing any of the obligations of the lessor under any Occupancy Agreement; (iii) responsible for any waste committed by lessees or any other parties, any dangerous or defective condition of the Property, or any negligence in the management, upkeep, repair or control of the Property; or (iv) liable in any manner for the Property or the use, occupancy, enjoyment or operation of all or any part of it (provided that this clause (iv) shall not act to relieve Beneficiary from liability resulting from the gross negligence or willful misconduct of Beneficiary).

(b) Trustors hereby represent that there are no assignments or pledges of any leases of, or rentals or income from, said Property now in effect and covenants that, until Bank Facilities Termination (as defined in the Credit Agreement), they will not make any such assignment or pledge to anyone other than Beneficiary.

10. Performance by Trustee or Beneficiary. Should Trustors fail to make any payment or perform any act which either of them is obligated to make or perform hereunder or under the Credit Agreement, then the Trustee, or Beneficiary, at the election of either of them, without giving notice to Trustors, or any successor in interest of Trustors, and without releasing Trustors from any obligation hereunder, may make such payment or perform such act and incur any liability, or expend whatever amounts, in its discretion, it may deem necessary therefor. All sums incurred or expended by the Trustee, or Beneficiary, under the terms of this Section, shall become due and payable by Trustors to the Beneficiary, on the next interest or installment payment date under any of the promissory note secured hereby and shall bear interest until paid at an annual percentage rate equal to the Default Rate expressed in the Credit Agreement. In no event shall such payment or performance of any such act by Trustee or Beneficiary be construed as a waiver of the default occasioned by Trustors' failure to make such payment(s) or perform such act(s).

11. Actions Affecting Property. Trustors promise and agree that if, during the existence of this trust, there shall be commenced or pending any suit or action affecting said Property, or any part thereof, or the title thereto, or if any adverse claim for or against said Property, or any part thereof, be made or asserted, they will appear in and defend any such matter purporting to affect the security of this Deed of Trust and will pay all costs and damages arising because of such action.

12. Eminent Domain. Any award of damages in connection with any condemnation or similar actions in regard to said Property, or any part thereof, shall be paid directly to Beneficiary and shall be: (i) retained by Beneficiary; or (ii) released to Trustors by Beneficiary, all in accordance with Section 8.02 of the Credit Agreement.

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13. Subrogation. To the extent that any sums advanced by Beneficiary are used to pay any outstanding lien, charge or prior encumbrance against the Property, such sums shall be deemed to have been advanced by Beneficiary at the request of Trustors and Beneficiary shall be subrogated to any and all rights and liens held by any owner or holder of such outstanding liens, charges and prior encumbrances, regardless of whether said liens, charges or encumbrances are released.

14. Due on Sale. If Trustors, or either of them, shall be voluntarily, or involuntarily, divested of title or possession of any Property, by merger or otherwise, or shall lease, sell, convey, further encumber or in any other manner voluntarily or involuntarily alienate any of its interest in any of the Property, or shall enter into an agreement to do any of the foregoing, other than as permitted in the Credit Agreement, any indebtedness or obligation secured hereby, irrespective of the maturity dates expressed in any notes evidencing the same, shall at the option of Beneficiary, and upon the giving of any notice which may be required under the Credit Agreement, immediately become due and payable.

15. Partial or Late Payment. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right either to require prompt payment, when due, of all other sums so secured or to declare default, as herein provided, for failure to so pay.

16. Certain Acts by Trustee or Beneficiary. At any time, and from time to time, without liability therefor and without notice to Trustors, upon written request of Beneficiary and, if required by Trustee, upon presentation of this Deed of Trust and the Notes secured hereby for endorsement, and without affecting the effect of this Deed of Trust upon the remainder of said Property, Trustee may: reconvey to Trustors any part of said Property; consent in writing to the making of any map or plat thereof; join in granting any easement thereon, or join in any extension agreement or subordination agreement in connection herewith. The Beneficiary may without notice to or consent of Trustors extend the time of the payment of any indebtedness secured hereby to any successors in interest of Trustors without discharging Trustors from liability thereon.

17. Full Reconveyance. Upon receipt of written request from Beneficiary reciting that all obligations under the Notes and any other notes secured hereby, and all other sums then due and owing and secured hereby, have been paid and, if required by Trustee, upon surrender of this Deed of Trust and the Notes secured hereby to Trustee for cancellation and retention, or such other disposition as Trustee, in its sole discretion, may choose, and upon payment of its fees, the Trustee shall reconvey, without warranty or recourse and at the expense of Trustors, the Property then held hereunder, and the assignment set forth by Section 9 above shall be of no further force or effect. The recitals in such reconveyance of any matters of

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fact shall be conclusive proof of the truth thereof. The Grantee in such reconveyance may be described in general terms as "the person or persons legally entitled thereto."

18. Right of Beneficiary and Trustee to Appear. If, during the existence of the trust, there be commenced or pending any suit or action affecting the Property, or any part thereof, or the title thereto, or if any adverse claim for or against the Property, or any part thereof, be made or asserted, the Trustee or Beneficiary (unless such suit, action or claim is being contested in good faith by Trustors and Trustors shall have established and maintained adequate reserves in accordance with generally accepted accounting principles for the full payment and satisfaction of such suit or action if determined adversely to Trustors), may appear or intervene in the suit or action and retain counsel therein and defend same, or otherwise take such action therein as they may be advised, and may settle or compromise same or the adverse claim; and in that behalf and for any of the purposes may pay and expend such sums of money as the Trustee or Beneficiary may deem to be necessary and Trustors shall reimburse Trustee, or Beneficiary, as the case may be, for such sums expended, together with accrued interest thereon, at the Default Rate which is defined in the Credit Agreement.

19. Remedies. Upon, and at any time subsequent to, the occurrence of an Event of Default, as defined in the Credit Agreement, Beneficiary and/or Trustee will be entitled to invoke any and all of the following rights and remedies, all of which will be cumulative, it being provided that exercise of any one or more of such rights and remedies shall not constitute an election of remedies:

(a) With respect to any Event of Default as defined in Section 7.01 of the Credit Agreement, other than any Event of Default as defined in any of subsections 7.01(f) (g) or (h) of the Credit Agreement, all sums secured hereby shall, at the option of Beneficiary, and upon the giving of notice required by the Credit Agreement, if any, become immediately due and payable. With respect to any Event of Default as defined in any of subsections 7.01(f), (g) or (h) of the Credit Agreement, all sums secured hereby shall automatically become due and payable without notice and without any action on the part of Beneficiary.

(b) Beneficiary may apply to any court of competent jurisdiction, by ex parte application or otherwise, for, and obtain appointment of, a receiver for the Property or any part thereof, without notice to Trustors or anyone claiming under Trustors, as a matter of absolute right, and without regard to the then value of the Property, the adequacy of any security for the obligations secured hereby or the solvency of any person or entity liable therefor, and Trustors hereby irrevocably consent to such appointment and waives notice of any application therefor. Any such receiver or receivers shall have all the usual powers of receivers in like or similar cases and all the powers of Beneficiary in case of entry as provided by subsection (c) below and as

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provided in the Credit Agreement and shall continue as such and exercise all such powers until the termination of such receivership with the consent of Beneficiary or pursuant to an order of a court of competent jurisdiction. All expenses incurred by the receiver or his agents, including obligations to repay funds borrowed by the receiver, shall constitute a part of the obligations secured hereby. Any revenues collected by the receiver shall be applied first to the expenses of the receivership, including reasonable attorneys' fees incurred by the receiver and by Beneficiary, together with interest thereon at the Default Rate (as defined the Credit Agreement) from the date incurred until repaid, and the balance shall be applied toward the obligations secured hereby or in such other manner as the court may direct. Beneficiary may also request, in connection with any foreclosure proceeding hereunder, that the Nevada Gaming Commission petition a District Court of the State of Nevada for the appointment of a supervisor to conduct the normal gaming activities on the Property following such foreclosure proceeding.

(c) Beneficiary, in person, by agent or by court appointed receiver, under subsection (b) above, may enter, take possession of, manage and operate all or any part of the Property, subject to applicable laws, and may also do any and all other things in connection with those actions that Beneficiary may, in its sole discretion, consider necessary and appropriate to protect the security of this Deed of Trust. Such other things may include, among other things, any of the following: taking and possessing all of Trustors' or the then owner's books and records with respect to the Property; obtaining and evicting tenants in accordance with any applicable leases; fixing or modifying rents in accordance with any applicable leases; collecting and receiving any payment of money owing to Trustors, or either of them, with respect to the Property; completing construction; and contracting for and making repairs and alterations. If Beneficiary so requests, Trustors shall assemble all of the Property that has been removed from the Real Property in violation of any of the Loan Documents (as defined in the Credit Agreement) and make all of it available to Beneficiary at the site of the Real Property. Trustors hereby irrevocably constitute and appoint Beneficiary (or, if applicable, Beneficiary's receiver) as Trustors' attorney-in-fact to perform such acts and execute such documents as Beneficiary in its sole discretion may consider to be appropriate in connection with taking these measures. All expenses incurred by Beneficiary or its agents under this subsection 19(c) shall constitute a part of the obligations secured hereby. Any revenues collected by Beneficiary shall be applied first to the expenses so incurred (including attorneys' fees) together with interest thereon at the Default Rate (as defined the Credit Agreement) from the date incurred until repaid, and the balance shall be applied toward the obligations secured hereby or in such other manner as the court may direct. Regardless of any provision of this Deed of Trust, or the Credit Agreement, Beneficiary shall not be considered to have accepted any personal property (other than cash or immediately available funds which have been actually, and indefeasibly, delivered to Beneficiary and are not held in the hands of a receiver or other third party) in satisfaction of any obligation of Trustors to Beneficiary, unless Beneficiary



has given express written notice of Beneficiary's election of that remedy in accordance with the Commercial Code.

(d) If the notice of breach and election to sell which is required by Chapter 107 of the Nevada Revised Statutes shall be first recorded, and if the time period after such recording, which is required by Chapter 107 of the Nevada Revised Statutes, shall have elapsed, then Trustee, its successors or assigns, on demand by Beneficiary, shall sell the above-granted premises, in order to accomplish the objects of these trusts, in the following manner, namely:

(i) the Trustee shall first give notice of the time and place of such sale, in the manner provided by the laws of the State of Nevada for the sale of real property under execution, and may from time to time postpone such sale by such advertisement as it may deem reasonable, or without further advertisement, by proclamation made to the persons assembled at the time and place previously appointed and advertised for such sale (as such time may have been previously postponed), and: (aa) on the day of sale so advertised, the Trustee may, in its discretion, sell the Property so advertised, or any portion thereof, in one or more lots (and thereafter postpone such sale, in accordance herewith, as to any portion of the Property remaining unsold, if Trustee so elects); and (bb) on any day to which such sale may have been postponed, the Trustee may, in its discretion, sell all or any portion of the Property then remaining unsold, in one or more lots (and thereafter further postpone such sale, in accordance herewith, as to any portion of the Property remaining unsold, if Trustee so elects); all at public auction, at the time and place specified in the notice (as such time may have been postponed), either in the county in which the Property, or any part thereof, to be sold, is situated, or at the principal office of the Trustee, in its discretion, to the highest cash bidder. The Beneficiary, Trustee, obligee, creditor, or the holder or holders of the Notes (and/or other obligations) secured hereby may bid (including by credit bid) and purchase at such sale. The Beneficiary may, after recording the notice of breach and election, waive or withdraw the same or any proceedings thereunder, and shall thereupon be restored to its former position and have and enjoy the same rights as though such notice had not been recorded.

(ii) the Trustee, upon such sale, shall make (without warranty), execute and, after due payment made, deliver to purchaser or purchasers, his, her or their heirs or assigns, a deed or deeds of the premises so sold which shall convey to the purchaser all the title of Trustors in the trust premises, and shall apply the proceeds of the sale thereof in accordance with the terms and conditions of the Credit Agreement. The recital in any such deed, of: (aa) default; (bb) recording notice of breach and election of sale; (cc) the elapsing of the three (3) month period after such recording; (dd) the giving of notice of sale; and (ee) demand by Beneficiary, its heirs or assigns, that such sale should be made; shall be conclusive proof of such default,

recording, elapsing of time and of the due giving of notice and that the sale was regularly and validly made on due and proper demand by Beneficiary, its heirs and assigns; and any such deed or deeds with such recitals therein shall be effectual and conclusive against Trustors or their respective successors and assigns, and all other persons; and the receipt for the purchase money recited or contained in any deed executed to the purchaser as aforesaid shall be sufficient discharge to such purchaser from all obligation to see to the proper application of the purchase money, according to the trusts aforesaid.

(e) The rights and remedies of Beneficiary upon the occurrence of one or more Events of Default as defined in the Credit Agreement (whether such rights and remedies are conferred by statute, by rule of law, by this Deed of Trust, by any Loan Document, as defined in the Credit Agreement, or otherwise) may be exercised by Beneficiary, in the sole discretion of Beneficiary, either alternatively, concurrently, or consecutively in any order. The exercise by Beneficiary or Trustee at the express direction of Beneficiary, of any one or more of such rights and remedies shall not be construed to be an election of remedies nor a waiver of any other rights and remedies Beneficiary might have unless, and limited to the extent that, Beneficiary shall so elect or so waive by an instrument in writing delivered to Trustee. Without limiting the generality of the foregoing, to the extent that this Deed of Trust covers both Real Property and Personal Property, Beneficiary may, in the sole discretion of Beneficiary, either alternatively, concurrently, or consecutively in any order:

(i) proceed as to both the Real Property and Personal Property in accordance with Beneficiary's rights and remedies in respect of the Real Property; or

(ii) proceed as to the Real Property in accordance with Beneficiary's rights and remedies in respect of the Real Property and proceed as to the Personal Property in accordance with Beneficiary's rights and remedies in respect of the Personal Property.

If Beneficiary should elect to proceed as to both the Real Property and Personal Property collateral in accordance with Beneficiary's rights and remedies in respect to the Real Property:

(i) all, or any portion of, the Real Property and all, or any portion of, the Personal Property may be sold, in the manner and at the time(s) and place(s) provided in this Deed of Trust, in one lot, or in separate lots consisting of any combination or combinations of Real Property and Personal Property, as the Beneficiary may elect, in the sole discretion of Beneficiary.

(ii) Trustors acknowledge and agree that a disposition of the Personal Property collateral in accordance with Beneficiary's rights and remedies in respect of Real Property, as hereinabove provided, is a commercially reasonable disposition of said collateral.

If Beneficiary should elect to proceed as to the Personal Property collateral in accordance with Beneficiary's rights and remedies with respect to personal property, Beneficiary shall have all the rights and remedies conferred on a secured party by the Uniform Commercial Code-Secured Transactions (NRS 104.9101 et seq.; as amended and recodified from time to time). Beneficiary may, in the sole discretion of Beneficiary, appoint Trustee as the agent of Beneficiary for the purpose of disposition of the Personal Property in accordance with the Uniform Commercial Code-Secured Transactions.

(f) Every right, power and remedy granted to Trustee or Beneficiary in this Deed of Trust shall be cumulative and not exclusive, and in addition to all rights, powers and remedies granted at law or in equity or by statute, and each such right, power and remedy may be exercised from time to time and as often and in such order as may be deemed expedient by Trustee or Beneficiary, and the exercise of any such right, power or remedy shall not be deemed a waiver of the right to exercise, at the time or thereafter, any other right, power or remedy.

20. Substitution of Trustee. The Beneficiary or its assigns may, from time to time, appoint another trustee, or trustees, to execute the trust created by this Deed of Trust or other conveyance in trust. Upon the recording of an acknowledged instrument executed by Beneficiary and providing for such appointment, the new trustee or trustees shall be vested with all the title, interest, powers, duties and trusts in the premises vested in or conferred upon the original trustee. If there be more than one trustee, either may act alone and execute the trusts upon the request of the Beneficiary, and all his acts thereunder shall be deemed to be the acts of all trustees, and the recital in any conveyance executed by such sole trustee of such request shall be conclusive evidence thereof, and of the authority of such sole trustee to act.

21. Binding Nature. This Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors, and assigns. It is expressly agreed that the Trust created hereby is irrevocable by Trustors. If there is more than one trustor hereunder, the obligations of said trustors hereunder shall be joint and several.

22. Acceptance of Trust; Recognition by Trustee. Trustee accepts this trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law, reserving, however, unto the Trustee, the right to resign from the duties and obligations imposed herein whenever Trustee, in its sole

discretion, deems such resignation to be in the best interest of the Trustee. Written notice of such resignation shall be given to Trustors and Beneficiary.

23. Waiver of Certain Rights by Trustors. Trustors waive, to the fullest extent permitted by law: (i) all rights to direct the order in which any of the Property shall be sold in the event of any sale or sales pursuant hereto; and (ii) the rights to have any of the Property or any other property now or hereafter constituting security for the indebtedness secured hereby marshaled upon any foreclosure of this Deed of Trust or of any other security for any such indebtedness.

24. Attorney-in-Fact. Upon the occurrence of an Event of Default as defined in Section 7.01 of the Credit Agreement, Trustors shall be deemed to have appointed and do hereby appoint Beneficiary the attorney-in-fact of Trustors to: (i) prepare, sign, file and/or record one or more financing statements, any documents of title or registration, or any similar papers; and (ii) take any other action(s) deemed necessary, useful or desirable by Beneficiary to perfect and preserve the lien and/or security interest of this Deed of Trust against the rights or interests of third persons.

25. Environmental Indemnity.

(a) Trustors agree to indemnify, protect, defend and save harmless Beneficiary, as well as its trustees, officers, employees, agents, attorneys and shareholders (individually, an "Indemnified Party" and collectively, the "Indemnified Parties") from and against any and all losses, damages, expenses or liabilities, of any kind or nature from any investigations, suits, claims or demands, including reasonable counsel fees incurred in investigating or defending such claim, suffered by any of them and caused by, relating to, arising out of, resulting from or in any way connected with: (a) the presence in, on or under the Property of any Hazardous Materials, as defined by reference in the Credit Agreement, or any releases or discharges of any Hazardous Materials on, under or from the Property; (b) any violation of Hazardous Materials Laws (as defined in the Credit Agreement); or (c) any activity carried on or undertaken on or off the Property, whether prior to or during the term of the Bank Facilities, and whether by Trustors, or either of them, or any predecessor in title or any employees, agents, contractors or subcontractors of Trustors, or either of them, or any predecessor in title, or any third persons at any time occupying or present on the Property, in connection with the handling, treatment, removal, storage, decontamination, clean-up, transport or disposal of any Hazardous Materials at any time located or present on or under the Property. The foregoing indemnity shall further apply to any residual contamination on or under the Property, or affecting any natural resources, and to any contamination of any property or natural resources, arising in connection with the generation, use, handling, storage, transport or disposal of any such Hazardous Materials, and irrespective of whether any of such activities were or will be undertaken in accordance with applicable laws, regulations, codes and ordinances. It is provided, however, that Trustors shall not

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be obligated to indemnify, protect, defend or save harmless an Indemnified Party if, and to the extent that, any such loss, damage, expense or liability was caused by: (i) the gross negligence or intentional misconduct of such Indemnified Party; or (ii) the breach of this Deed of Trust, the Credit Agreement or any other Loan Document by such Indemnified Party or the breach of any laws, rules or regulations by such Indemnified Party (other than those breaches arising from Trustors' default). Trustors hereby acknowledge and agree that, notwithstanding any other provision of this Deed of Trust or any of the other Loan Documents to the contrary, the obligations of Trustors under this Section 25 shall be unlimited personal, joint and several obligations of Trustors and shall survive any foreclosure under this Deed of Trust, any transfer in lieu thereof, any reconveyance of this Deed of Trust and any satisfaction of the obligations which are secured hereby. Trustors acknowledge that Beneficiary's appraisal of the Property is such that Beneficiary would not extend the Bank Facilities but for the personal liability undertaken by Trustors for the obligations under this Section 25. Trustors and Beneficiary agree that any obligations of Trustors under this Section 25 which may also be obligations of Trustors under the Environmental Certificate (which is referred to below) shall be deemed to arise solely under this Section 25 and not under the Environmental Certificate. The obligations of Trustors under this Section 25 are separate from and in addition to the obligations to pay the indebtedness evidenced by the Notes, the obligations under the Credit Agreement and the other obligations secured by, or imposed under, this Deed of Trust. The liability of Trustors under this Section 25 shall not be limited to or measured by the amount of the indebtedness secured hereby or the value of the Property. Trustors shall be fully and personally liable for all obligations of Trustors under this Section 25 and a separate action may be brought and prosecuted against Trustors under this Section 25. Trustors waive the right to assert any statute of limitations as a bar to the enforcement of this Section 25 or to any action brought to enforce this Section 25. This Section 25 shall not affect, impair or waive any rights or remedies of Beneficiary or any obligations of Trustors, or either of them, with respect to Hazardous Materials created or imposed by Hazardous Materials Laws (including Beneficiary's rights of reimbursement or contribution under Hazardous Materials Laws). The remedies under this Section 25 are cumulative and in addition to all remedies provided by law.

(b) In case any action shall be brought against any Indemnified Party based upon any of the above and in respect to which indemnity may be sought against Trustors, or either of them, Beneficiary shall promptly notify Trustors in writing, and Trustors shall assume the defense thereof, including the employment of counsel selected by Trustors and reasonably satisfactory to the Indemnified Party, the payment of all costs and expenses and the right to negotiate and consent to settlement upon the consent of the Indemnified Party. Upon reasonable determination made by an Indemnified Party that such counsel would have a conflict representing such Indemnified Party and Trustors, the applicable Indemnified Party shall have the right to employ, at the



expense of Trustors, separate counsel in any such action and to participate in the defense thereof. Trustors shall not be liable for any settlement of any such action effected without its consent, but if settled with Trustors' consent, or if there be a final judgment for the claimant in any such action, Trustors agree to indemnify, defend and save harmless such Indemnified Parties from and against any loss or liability by reason of such settlement or judgment.

26. Governing Law. This Deed of Trust shall, in all respects, be governed by and construed in accordance with the internal laws of the State of Nevada without regard to conflict of law principles.

27. Uniform Commercial Code.

(a) Statutory References. All references in this Deed of Trust to: (i) "Commercial Code" shall be to the Uniform Commercial Code, as enacted in the State of Nevada (NRS Chapters 104 and 104A), as it may be amended or recodified from time to time; and (ii) "Article 9 of the Commercial Code" shall be to the Uniform Commercial Code--Secured Transactions, NRS 104.910, et seq., as it may be amended or recodified from time to time; provided, however, that if, by reason of mandatory provisions of law, the validity or perfection of any security interest granted herein is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of Nevada, then, as to the validity or perfection of such security interest, "Commercial Code" shall mean the Uniform Commercial Code in effect in such other jurisdiction.

(b) Fixture Filing. The Property includes goods which are, or are to become, fixtures related to the Real Property, and this Deed of Trust is intended to be a fixture filing under NRS 104.9502 as it may be amended, or recodified, from time to time. CVII's Nevada Organizational Identification Number is C1133-1984. MALLC's Nevada Organizational Identification Number is LLC1402-2000. The address of Beneficiary from which information may be obtained concerning the security interest granted hereunder and the mailing address of Trustors are as follows:

Beneficiary: Irwin Union Bank & Trust Company
1717 E. College Parkway
Carson City, Nevada 89706
Attn: Michael Grim, Vice President

Trustors: c/o The Carson Valley Inn
1627 Highway 395 North
Minden, NV 89423

(c) Remedies in Respect of Personal Property. Trustors agree that, in addition to any other rights and remedies which Beneficiary may have hereunder, or otherwise, with respect to Personal Property, upon the occurrence and during the continuance of an Event of Default, as defined in the Credit Agreement:

(i) Beneficiary may exercise in respect of the Personal Property, in addition to other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party after default under Article 9 of the Commercial Code (whether or not Article 9 of the Commercial Code applies to the affected Personal Property). Beneficiary may also: (aa) require Trustors to, and Trustors hereby agree that they will, at their expense and at the request of Beneficiary upon reasonable notice, assemble all or part of their Personal Property as directed by Beneficiary and make it available to Beneficiary at a place to be designated by Beneficiary which is reasonably convenient to both parties; and (bb) without notice except as specified below, sell the Personal Property or any part thereof in one or more parcels at public or private sale, at any of Beneficiary's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as Beneficiary may deem to be commercially reasonable. Trustors agree that, to the extent notice of sale shall be required by law, at least ten (10) days' prior notice to Trustors of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. Beneficiary shall not be obligated to make any sale of Personal Property regardless of notice of sale having been given. Beneficiary may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned;

(ii) Upon any sale of the Personal Property (whether public or private) by Beneficiary, Beneficiary shall have the right to deliver, assign and transfer to the purchaser thereof the Personal Property so sold. Each purchaser (including Beneficiary) at any such sale shall hold the Personal Property so sold free from any claim or right of whatever kind, including any equity or right of redemption of Trustors, and Trustors, to the extent permitted by law, hereby specifically waive all rights of redemption under the Commercial Code, and any right to a judicial or other stay or approval which they have or may have under any law now existing or hereafter adopted;



(iii) Beneficiary shall have the right and power to institute and maintain such suits and proceedings as it may deem appropriate to protect and enforce the rights vested in it by this Deed of Trust and may proceed by suit or suits at law or in equity to enforce such rights and to foreclose upon and sell the Personal Property or any part thereof pursuant to the judgment or decree of a court of competent jurisdiction;

(iv) To the extent permitted by law and without regard to the solvency or insolvency at the time of any Person then liable for the payment of any of the Secured Obligations or the then value of the Personal Property, and without requiring any bond from any party to such proceedings, be entitled to request the appointment of a special receiver or receivers (who may be Beneficiary) for the Personal Property or any part thereof and for the rents, issues, tolls, profits, royalties, revenues and other income therefrom, which receiver shall have such powers as the court making such appointment shall confer, and to request the entry of an order directing that the rents, issues, tolls, profits, royalties, revenues and other income of the property constituting the whole or any part of the Personal Property be segregated, sequestered and impounded for the benefit of Beneficiary; and

(v) No remedy conferred upon or reserved to Beneficiary in this Deed of Trust is intended to be exclusive of any other remedy or remedies, but every such remedy shall be cumulative and shall be in addition to every other remedy conferred herein or now or hereafter existing at law, in equity or by statute.

(d) Further Assurances. Trustors agree that, in addition to all other obligations of further assurance which Trustors may have hereunder, they shall file such financing statements, execute such amendments to this Deed of Trust, obtain such agreements and documents from third parties, and take such other actions as may be necessary or desirable under the Commercial Code, or that Beneficiary may reasonably request in accordance with the Commercial Code, in order to: (i) provide for perfection, preservation and protection of the security interests granted or intended to be granted hereunder; and (ii) enable Beneficiary to exercise and enforce its rights and remedies hereunder with respect to any Property.

28. Principal Place of Business. Trustors' principal place of business is in Douglas County in the State of Nevada. Trustors do not do business under any trade name except as previously disclosed in writing to Beneficiary. Trustors will immediately notify Beneficiary in writing of any change in their place of business or the



adoption or change of any trade name or fictitious business name by either of them, and will upon request of Beneficiary, execute any additional financing statements or other certificates necessary to reflect any such adoption or change in trade name or fictitious business name.

29. Credit Agreement and Notices. This Deed of Trust has been executed pursuant to and is subject to the terms of the Credit Agreement executed concurrently, or substantially concurrent, herewith, and is one of the Loan Documents referred to therein. Trustors agree to observe and perform all provisions contained in the Credit Agreement and in the other Loan Documents. Except as otherwise provided herein, any consent, notice or other communication which is required or permitted hereunder (including, without limitation, notices under NRS Chapter 106) shall be in writing and shall be delivered in the manner which is set forth by Section 9.02 of the Credit Agreement.

30. Environmental Certificate. Concurrently, or substantially concurrent, herewith, Trustors executed an instrument entitled "Certificate and Indemnification Regarding Hazardous Substances" (which, together with all amendments, modifications, extensions, renewals or restatements thereof, is referred to herein as the "Environmental Certificate"). The obligations of Trustors under the Environmental Certificate are not secured by this Deed of Trust.



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

TRUSTORS:

CARSON VALLEY INN, INC.
a Nevada corporation

By: *Patrick A. Mulreany*
Patrick A. Mulreany,
President and Treasurer

MULREANY ASSOCIATES, LLC
a Nevada limited liability company

By: *Patrick A. Mulreany*
Patrick A. Mulreany,
Manager

By: *Jean E. Mulreany*
Jean E. Mulreany,
Manager

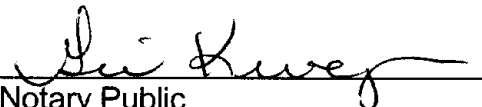
By: MULREANY ASSOCIATES,
a Nevada general partnership,
its sole member

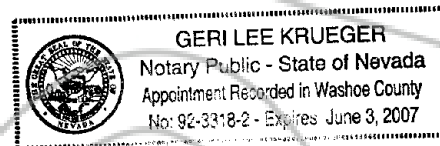
By: *Patrick A. Mulreany*
Patrick A. Mulreany,
General Partner

By: *Jean E. Mulreany*
Jean E. Mulreany,
General Partner

STATE OF NEVADA)
) ss
COUNTY OF WASHOE)

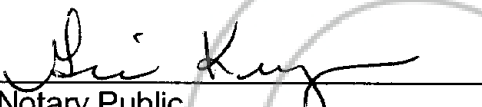
This instrument was acknowledged before me on March 14, 2005 by PATRICK A. MULREANY as President and Treasurer of CARSON VALLEY INN, INC.

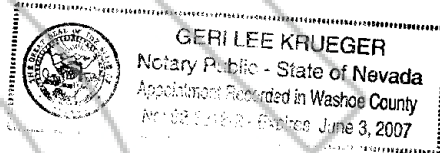

Notary Public



STATE OF NEVADA)
) ss
COUNTY OF WASHOE)

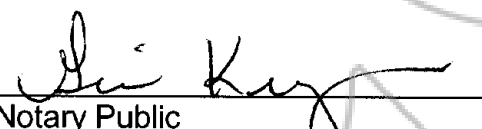
This instrument was acknowledged before me on March 14, 2005 by PATRICK A. MULREANY as Manager of MULREANY ASSOCIATES, LLC.

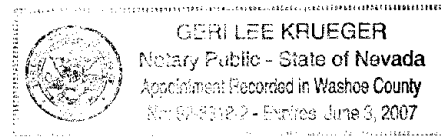

Notary Public



STATE OF NEVADA)
) ss
COUNTY OF WASHOE)

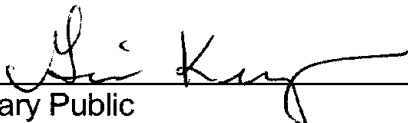
This instrument was acknowledged before me on March 14, 2005 by JEAN E. MULREANY as Manager of MULREANY ASSOCIATES, LLC.

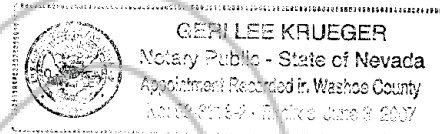

Notary Public



STATE OF NEVADA)
) ss
COUNTY OF WASHOE)

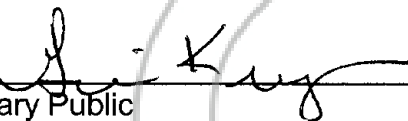
This instrument was acknowledged before me on March 14, 2005 by
PATRICK A. MULREANY as General Partner of MULREANY ASSOCIATES.

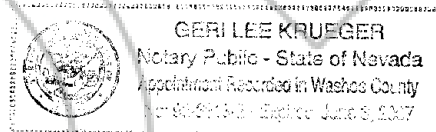

Notary Public



STATE OF NEVADA)
) ss
COUNTY OF WASHOE)

This instrument was acknowledged before me on March 14, 2005 by JEAN
E. MULREANY as General Partner of MULREANY ASSOCIATES.


Notary Public



LEGAL DESCRIPTION

Order No.: 050500420

The land referred to herein is situated in the State of Nevada, County of DOUGLAS, described as follows:

PARCEL 1:

A parcel of land situate in the Town of Minden, Nevada, and being a portion of the Southwest 1/4 of Section 29, Township 13 North, Range 20 East, M.D.B. & M., Douglas County, Nevada, being more particularly described as follows:

BEGINNING at a point lying on the Northerly right-of-way of U.S. Highway 395 being the Southwest corner of a 3.40 acre parcel as shown on the Record of Survey map filed in Book 980, Page 057, Document No. 48058, within the Official Records of Douglas County, Nevada; thence North 26°35'00" East, 120 feet to the POINT OF BEGINNING; thence North 26°35'00" East, 187.77 feet; thence South 63°25'00" East, 585.96 feet; thence South 79°00'00" West, 307.86 feet; thence North 63°25'00" West, 342.00 feet to the TRUE POINT OF BEGINNING.

Together with a parcel of land as deeded to PATRICK A. MULREANY AND JEAN E. MULREANY, in Deed recorded August 17, 1984 as Document No. 105270, more particularly described as follows:

A parcel of land located within a portion of the Southwest 1/4 of Section 29, Township 13 North, Range 20 East, M.D.B. & M., Douglas County, Nevada being further described as Area "B" as shown on the map filed within the Official Records of Douglas County, Nevada as Document No. 86414 and being more particularly described as follows:

Commencing at a point lying at the intersection of the Northerly right-of-way line of U.S. Highway 395 and the Westerly right-of-way line of 8th Street; thence North 26°35'00" East, 154.05 feet along the Westerly right-of-way line of 8th Street; thence North 79°00'00" East, 58.44 feet to the POINT OF BEGINNING, thence North 79°00'00" East, 96.79 feet; thence South 26°35'00" West, 59.04 feet to a point on the Northerly right-of-way line of the 8th Street; thence North 63°25'00" West, 76.70 feet to the TRUE POINT OF BEGINNING.

Continued on next page

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EXHIBIT



0639097

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BK- 0305
PG- 6390
03/15/2005

A 1

LEGAL DESCRIPTION - continued
Order No.:050500420

Excepting therefrom a parcel of land located within a portion of the Southwest 1/4 of Section 29, Township 13 North, Range 20 East, M.D.B. & M., Douglas County, Nevada, being further described as Area "A" as shown on the map filed within the Official Records of Douglas County, Nevada as Document No. 86414 and being more particularly described as follows:

Commencing at a point lying at the intersection of the Northerly right-of-way line of U.S. Highway 395 and the Westerly right-of-way line of 8th Street; thence North 26°35'00" East, 154.05 feet along the Westerly right-of-way line of 8th Street; thence North 79°00'00" East, 155.23 feet to the POINT OF BEGINNING; thence North 26°35'00" East, 59.03 feet; thence South 63°25'00" East, 76.71 feet; thence South 79°00'00" West, 96.80 feet to the TRUE POINT OF BEGINNING.

"IN COMPLIANCE WITH NEVADA REVISED STATUTE 111.312, THE HEREIN ABOVE LEGAL DESCRIPTION WAS TAKEN FROM INSTRUMENT RECORDED OCTOBER 14, 1988, BOOK 1088, PAGE 1677, AS FILE NO. 188510, AND RE-RECORDED ON OCTOBER 26, 1988, BOOK 1088, PAGE 3575, AS FILE NO. 189471, RECORDED IN THE OFFICIAL RECORDS OF DOUGLAS COUNTY, STATE OF NEVADA."

PARCEL 2:

Portion A:

A parcel of land situated in the Southwest 1/4 of Section 29 and a portion of the Southeast 1/4 of Section 30, Township 13 North, Range 20 East, M.D.B. & M., Douglas County, Nevada, more particularly described as follows:

Beginning at the Northwest corner of a 2.00 acre more or less parcel as set forth on that certain Record of Survey for Patrick A. and Jean E. Mulreany, filed for record in the Office of the County Recorder of Douglas County, Nevada on the 2nd day of September, 1983, in Book 983 at Page 101, Document No. 86414; said point also bears North 28°02'03" East, a distance of 1,221.56 feet from the section corner common to Sections 29, 30, 31, and 32; thence South

Continued on next page



LEGAL DESCRIPTION - continued
Order No.:050500420

26°35'00" West, a distance of 187.77 feet; thence North
63°25'00" West, a distance of 98.23 feet; thence North
16°53'00" East, a distance of 214.60 feet; thence North
63°25'00" West, a distance of 86.00 feet; thence South
16°53'00" West, a distance of 214.60 feet; thence North
63°25'00" West, a distance of 368.97 feet; thence South
00°03'20" West, a distance of 139.71 feet to the
Northeasterly right-of-way line of U.S. Highway 395; thence
North 63°25'00" West along the Northeasterly right-of-way
line of U.S. Highway 395 a distance of 45.20 feet; thence
North 05°41'00" East, a distance of 412.40 feet to the
Section line common to Sections 29 and 30; thence North
00°03'20" East along the section line common to Sections 29
and 30, a distance of 57.04 feet; thence South 72°39'07"
East, a distance of 449.37 feet; thence South 62°50'16"
East, a distance of 265.06 feet; thence South 26°35'00"
West, a distance of 192.97 feet, returning to THE TRUE
POINT OF BEGINNING.

EXCEPT THEREFROM THE FOLLOWING DESCRIBED PARCELS OF LAND:

EXCEPTING THEREFROM a parcel of land located within a
portion of the Southwest 1/4 of Section 29, Township 13
North, Range 20 East, M.D.B. & M., Douglas County, Nevada,
described as follows:

Commencing at the Northwest corner of the 2.00 acre more or
less parcel as set forth on that certain Record of Survey
for Patrick A. and Jean E. Mulreany, that was filed for
record in the Office of the County Recorder of Douglas
County, Nevada, on September 2, 1983, in Book 983, at Page
101, under Document No. 86414, thence North 26°35'00" East,
192.97 feet; thence North 62°50'16" West, 265.06 feet;
thence North 72°39'07" West, 8.06 feet, to the POINT OF
BEGINNING; thence continuing North 72°39'07" West, 439.37
feet; thence South 00°16'26" West, 56.63 feet; thence South
05°54'44" West, 412.40 feet to the Northerly right-of-way
line of U.S. Highway 395 (Railroad Avenue); thence South
63°25'00" East, 188.00 feet along the Northerly
right-of-way line of U.S. Highway 395; thence North
26°35'00" East, 125.00 feet; thence South 63°25'00" East,
75.00 feet; thence North 26°35'00" East, 382.12 feet to the
Continued on next page

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LEGAL DESCRIPTION - continued
Order No.:050500420

TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM that portion deeded to Mulreany Associates, a Limited Partnership, by instrument recorded April 29, 1985, in Book 485 of Official Records, at page 2305, Douglas County, Nevada, as Document No. 116605, more particularly described as follows:

A parcel of land located in the Southwest 1/4 of the Southwest 1/4 of Section 29, Township 13 North, Range 20 East, M.D.B. & M., situated on the Northerly side of U.S. Highway 395 and West of the Westerly line of 10th Street extended across the highway, in Douglas County, Nevada, more particularly described as follows:

Beginning at the intersection of the Northerly right-of-way line of U.S. Highway 395 and the extension of the Westerly line of 10th Street in Minden, from which the Southeast corner of Section 30, Township 13 North, Range 20 East, M.D.B. & M., bears 07°20'31" West, 962.14 feet; thence along the highway North 63°25'00" West, 188.00 feet; thence North 05°37'32" East, 133.85 feet; thence South 63°25'00" East, 235.88 feet; thence South 26°35'00" West, 125.00 feet to the TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM that portion that lies within the above described Parcel and was deeded to HENRY SEEMAN, et al, in Deed recorded February 11, 1971, in Book 83, Page 593, Document No. 51865, Official Records of Douglas County, State of Nevada, described as follows:

That certain irregular Parcel of land situate, lying and being in the East 1/2 of the Southeast 1/4 of Section 30, Township 13 North, Range 20 East, M.D.B. & M., Westerly of the Town of Minden, in Douglas County, Nevada, more particularly described as follows:

Beginning at the concrete monument which is 30 feet Northeasterly, measured at right angles, from the Surveyed centerline of Nevada State Highway Route 3 (U.S. Highway 395), and along the Northerly extension of the Westerly side of 10th Street of said Town of Minden; said concrete
Continued on next page



LEGAL DESCRIPTION - continued
Order No.:050500420

monument further described as being North 07°20' East, a distance of 962.20 feet from the Southeast corner of said Section 30; thence North 63°25' West, along the Northeasterly right-of-way line of said highway a distance of 142.80 feet to the TRUE POINT OF BEGINNING; thence North 63°25' West, along the Northeasterly highway right-of-way line, a distance of 45.20 feet to a point; thence Northerly and Easterly along a fence line a distance of 412.40 feet, more or less, to a point; thence South a distance of 430.60 feet to the POINT OF BEGINNING.

Portion B:

A parcel of land located within a portion of the Southwest 1/4 of Section 29, Township 13 North, Range 20 East, M.D.B. & M., Douglas County, Nevada, described as follows:

Commencing at the Northwest corner of the 2.00 acre more or less parcel as set forth on that certain Record of Survey for Patrick A. and Jean E. Mulreany, that was filed for record in the Office of the County Recorder of Douglas County, Nevada, on September 2, 1983, in Book 983, at Page 101, as Document No. 86414, thence North 26°35'00" East, 192.97 feet; thence North 62°50'16" West, 265.06 feet; thence North 72°39'07" West, 8.06 feet, to the TRUE POINT OF BEGINNING; thence continuing North 72°39'07" West, 439.37 feet; thence South 00°16'26" West, 56.63 feet; thence South 05°54'44" West, 412.40 feet to the Northerly right-of-way line of U.S. Highway 395 (Railroad Avenue); thence South 63°25'00" East, 188.00 feet along the Northerly right-of-way line of U.S. Highway 395; thence North 26°35'00" East, 125.00 feet; thence South 63°25'00" East, 75.00 feet; thence North 26°35'00" East, 382.12 feet to the POINT OF BEGINNING.

EXCEPTING THEREFROM that portion deeded to Mulreany Associates, a Limited Partnership, by instrument recorded April 29, 1985, in Book 485 of Official Records, at Page 2305, Douglas County, Nevada, as Document No. 116605, more particularly described as follows:

A parcel of land located in the Southwest 1/4 of the
Continued on next page

LEGAL DESCRIPTION - continued
Order No.:050500420

Southwest 1/4 of Section 29, Township 13 North, Range 20 East, M.D.B. & M., situated on the Northerly side of U.S. Highway 395 and West of the Westerly line of 10th Street extending across the highway, in Douglas County, Nevada, more particularly described as follows:

Beginning at the intersection of the Northerly right-of-way line of U.S. Highway 395 and the extension of the Westerly line of 10th Street in Minden, from which the Southeast corner of Section 30, Township 13 North, Range 20 East, M.D.B. & M., bears South $07^{\circ}20'31''$ West, 962.14 feet; thence along the highway North $63^{\circ}25'00''$ West, 188.00 feet; thence North $05^{\circ}37'32''$ East, 133.85 feet; thence South $63^{\circ}25'00''$ East, 235.88 feet; thence South $26^{\circ}35'00''$ West, 125.00 feet to the POINT OF BEGINNING.

EXCEPTING THEREFROM that portion that lies within the above described Parcel and was deeded to HENRY SEEMAN, et al, in Deed recorded February 11, 1971, in Book 83, Page 593, Document No. 51865, Official Records of Douglas County, State of Nevada, described as follows:

That certain irregular Parcel of land situate, lying and being in the East 1/2 of the Southeast 1/4 of Section 30, Township 13 North, Range 20 East, M.D.B. & M., Westerly of the Town of Minden, in Douglas County, Nevada, more particularly described as follows:

Beginning at a concrete monument which is 30 feet Northeasterly, measured at right angles, from the surveyed centerline of Nevada State Highway Route 3 (U.S. Highway 395), and along the Northerly extension of the Westerly side of 10th Street of said Town of Minden; said concrete monument further described as bearing North $07^{\circ}20'$ East, a distance of 962.20 feet from the Southeast corner of said Section 30; thence North $63^{\circ}25'$ West, along the Northeasterly right-of-way line of said highway a distance of 142.80 feet to the TRUE POINT OF BEGINNING; thence North $63^{\circ}25'$ West, along the Northeasterly highway right-of-way line a distance of 45.20 feet to a point near a fence corner; thence Northerly and Easterly along a fence line a distance of 412.40 feet, more or less, to a point; then

Continued on next page



LEGAL DESCRIPTION - continued
Order No.:050500420

South a distance of 430.60 feet to the POINT OF BEGINNING.

Portion C:

A parcel of land located within a portion of the Southwest 1/4 of Section 29, Township 13 North, Range 20 East, M.D.B. & M., Douglas County, Nevada, described as follows:

Commencing at the Northwest corner of the 2.000 acre more or less parcel as set forth on that certain Record of Survey for Patrick A. and Jean E. Mulreany, that was filed for record in the Office of the County Recorder of Douglas County, Nevada, on September 2, 1983, in Book 983, at Page 101, as Document No. 86414, thence North 26°35'00" East, 192.97 feet; thence South 63°25'00" East, 720.06 feet; thence South 32°38'00" West, 98.28 feet; thence North 63°25'00" West, 47.70 feet; thence South 26°35'00" West, 36.71 feet; thence South 79°00'00" West, 95.96 feet; thence North 63°25'00" West, 585.96 feet, to the POINT OF BEGINNING.

"IN COMPLIANCE WITH NEVADA REVISED STATUTE 111.312, THE HEREIN ABOVE LEGAL DESCRIPTION WAS TAKEN FROM INSTRUMENT RECORDED AUGUST 4, 1989, BOOK 889, PAGE 728, AS FILE NO. 208095, RECORDED IN THE OFFICIAL RECORDS OF DOUGLAS COUNTY, STATE OF NEVADA."

PARCEL 3:

Being all that certain land or parcel of land lying in the Southwest 1/4 of Section 29, Township 13 North, Range 20 East, M.D.B. & M. on the Northerly side of the Virginia and Truckee Railroad Spur (bearing North 63°25' West), Douglas County, Nevada, and more particularly described by metes and bounds as follows, to wit:

Beginning at a point at the Southeast corner of the parcel 45 feet from the centerline of the said Virginia and Truckee Railroad Spur, said POINT OF BEGINNING being described as bearing North 57°47'40" West, 1,899.13 feet from the Town Monument (No. 1) to the Town of Minden, said POINT OF BEGINNING being further described as bearing North 72°33'

Continued on next page

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LEGAL DESCRIPTION - continued
Order No.:050500420

East, 3,189.40 feet from the 1/4 corner common to Sections 30 and 31, being North 63°25' West parallel to the railroad spur 86.00 feet to a point; thence North 16°53' East, 214.60 feet to a point; thence South 63°25' East, 86.00 to a point on the fence line at the Northeast corner of the parcel thence South 16°53' West along said fence line 214.60 feet to the POINT OF BEGINNING.

"IN COMPLIANCE WITH NEVADA REVISED STATUTE 111.312, THE HEREIN ABOVE LEGAL DESCRIPTION WAS TAKEN FROM INSTRUMENT RECORDED OCTOBER 14, 1988, BOOK 1088, PAGE 1677, AS FILE NO. 188510, AND RE-RECORDED OCTOBER 26, 1988, BOKK 1088, PAGE 3575, AS FILE NO. 189471 RECORDED IN THE OFFICIAL RECORDS OF DOUGLAS COUNTY, STATE OF NEVADA."

PARCEL 4:

A parcel of land in the Town of Minden, North of U.S. Highway 395, and West of Buckeye Lane (Sixth Street), and also being in the South 1/2 of the Southwest 1/4 of Section 29, Township 13 North, Range 20 East, M.D.B.&M., in Douglas County, Nevada, more particularly described as follows:

COMMENCING at the Northwest corner of the intersection of Buckeye Lane and U.S. Highway 395 from which the Minden Town Monument bears South 58°06'23" East 713.05 feet. The Town Monument being located South 89°18'25" West, 4,649.90 feet from the one-quarter corner common to Sections 30 and 31, Township 13 North Range 20 East, M.D.B.&M., thence running along the Northerly side of U.S. Highway 395, North 63°25' West, 1,423.40 feet to the Point of Beginning; thence North 26°35' East 120.00 feet; thence South 63°25' East 273.00 feet more or less, to the Northwest corner of that certain parcel of land conveyed to GERALD L. BELANGER and wife, in Deed recorded February 5, 1969, in Book 65, Page 38, File No. 43658 of Official Records; thence along the Northwesterly line of the BELANGER parcel; South 26°35' West, 120.00 feet to the Southwesterly corner of the BELANGER parcel; thence North 63°25' West, 273.00 feet, more or less, to the True Point of Beginning.

Said Parcel of land further imposed on that certain Record
Continued on next page

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LEGAL DESCRIPTION - continued
Order No.:050500420

of Survey recorded December 10, 1984, as Document No.
111078.

APN 1320-29-401-002

"IN COMPLIANCE WITH NEVADA REVISED STATUTE 111.312, THE
HEREIN ABOVE LEGAL DESCRIPTION WAS TAKEN FROM INSTRUMENT
RECORDED OCTOBER 14, 1988, BOOK 1088, PAGE 1669, AS FILE
NO. 188508, RECORDED IN THE OFFICIAL RECORDS OF DOUGLAS
COUNTY, STATE OF NEVADA."

PARCEL 5:

A parcel of land situate in the Town of Minden, Nevada, and
being a portion of the Southwest 1/4 of the Southwest 1/4 of
Section 29, Township 13 North, Range 20 East, M.D.B.&M., and
being further described as follows:

Commencing at a point in the northerly right-of-way line of
Railroad Avenue, more commonly known as U.S. Highway 395,
and the intersection of the centerline of Ninth Street,
projected; thence along the Northerly right-of-way line of
Railroad Avenue, North 63°25'00" West, 57.00 feet to the
True Point of Beginning; thence North 26°35'00" East,
120.00 feet, thence parallel to said right-of-way line,
South 63°25'00" East, 342 feet; thence North 79°00" East,
55 feet more or less to the intersection of the westerly
right-of-way line of Eighth Street as said right-of-way
line is described in Deed recorded January 1, 1981, Book
181, Page 508, Document No. 52451, Official Records of
Douglas County, State of Nevada; thence along said westerly
right-of-way line, South 26°35" East 154.36 feet to the
northerly right-of-way line of Railroad Avenue; thence
along said right-of-way line North 63°25" West, 385 feet,
more or less, to the point of beginning.

Together with all that portion lying and being in the
Southwest Quarter of Section 29 T 13 North, R 20 East,
M.D.B.&M., described as follows:

Commencing at the intersection of the Northerly right-of-way
line of U.S. Highway 395, also known as Railroad Avenue, and
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the Westerly right-of-way line of Eighth Street, also being the Southeasterly corner of the Mulreany parcel as shown on that certain record of survey for Patrick A. and Jean E. Mulreany, recorded on September 2, 1983, Book 983, Page 101, Document Number 86414, in the Official Records of Douglas County, Nevada; being the TRUE POINT OF BEGINNING; thence North 26°35' East a distance of 154.05 feet; thence North 79°00' East, a distance of 58.44 feet; thence South 63°25' East, a distance of 32.79 feet; thence South 79°00' West a distance of 33.04 feet; thence along a tangent curve to the left, having a radius of 110.00 feet, throughout a central angle of 52°25', an arc length of 100.63 feet; thence South 26°35' West, a distance of 72.36 feet; thence along a tangent curve to the right, having a radius of 10.00 feet, throughout a central angle of 90°, an arc length of 15.71 feet to the TRUE POINT OF BEGINNING.

Parcels 1, 2, 3, and 5 comprised of APN 1320-29-401-004

"IN COMPLIANCE WITH NEVADA REVISED STATUTE 111.312, THE HEREIN ABOVE LEGAL DESCRIPTION WAS TAKEN FROM INSTRUMENT RECORDED OCTOBER 14, 1988, BOOK 1088, PAGE 1677, AS FILE NO. 188510, RECORDED IN THE OFFICIAL RECORDS OF DOUGLAS COUNTY, STATE OF NEVADA."

PARCEL 6:

Being a portion of the Southeast 1/4 of Section 30, Township 13 North, Range 20 East, M.D.B.&M. in the County of Douglas, State of Nevada, being more particularly described as follows:

Beginning at the Southeasterly corner of Parcel 4 of the Record of Survey in support of a Boundary Line Adjustment recorded in Book 497, at Page 3362, as Document No. 411708 of the Official Records of said Douglas County, said corner being on the Northeasterly right-of-way line of U.S. Highway 395; thence Northwesterly along said right-of-way line, North 63°25'00" West, 222.97 feet; thence North 23°37'31" East, 104.73 feet; thence North 66°17'29" West, 57.99 feet to a point on the Northwesterly line of that certain parcel described in the Grant, Bargain and Sale
Continued on next page

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LEGAL DESCRIPTION - continued
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Deed, recorded in Book 1286, at Page 4355, as Document No. 147792 of the Official Records of said Douglas County; thence Northeasterly along said Northwesterly line North $23^{\circ}46'21''$ East, 284.45 feet; thence South $66^{\circ}13'39''$ East, 150.16 feet to a point on the Easterly line of said Parcel 4; thence Southerly along the Easterly line of said Parcel 4, South $0^{\circ}15'05''$ West, 9.28 feet; thence South $5^{\circ}47'19''$ West, 411.65 feet to the Point of Beginning.

Said parcel of land further imposed as Parcel 4A on that certain Record of Survey recorded September 4, 2003, as Document No. 588800.

ASSESSOR'S PARCEL NO. 1320-30-803-004

"IN COMPLIANCE WITH NEVADA REVISED STATUTE 111.312, THE HEREIN ABOVE LEGAL DESCRIPTION WAS TAKEN FROM INSTRUMENT RECORDED SEPTEMBER 4, 2003, BOOK 903, PAGE 1852, AS FILE NO. 588801, RECORDED IN THE OFFICIAL RECORDS OF DOUGLAS COUNTY, STATE OF NEVADA."

PARCEL 7:

A parcel of land located within a portion of the Southwest one-quarter (SW 1/4) of Section 29, Township 13 North, Range 20 East, Mount Diablo Baseline and Meridian, Douglas County, Nevada, described as follows:

Commencing at the Center one-quarter (C 1/4) corner of said Section 29 as set forth on that certain Record of Survey for Bently Nevada Corp., filed for record in the Office of the County Recorder of Douglas County, Nevada, on the 23rd day of December, 1985, in Book 1285, at Page 1984, under Document No. 128591, thence South $28^{\circ}31'06''$ West, 1,786.92 feet to the Westerly right-of-way line of BUCKEYE ROAD; thence North $44^{\circ}22'00''$ West 406.00 feet; thence North $69^{\circ}06'21''$ West, 581.42 feet to the POINT OF BEGINNING; thence continuing North $69^{\circ}06'21''$ West, 1,031.07 feet; thence South $00^{\circ}16'20''$ West, 427.69 feet; thence South $72^{\circ}39'07''$ East, 447.43 feet; thence South $62^{\circ}50'16''$ East, 265.06 feet; thence South $63^{\circ}25'00''$ East, 129.75 feet; thence North $26^{\circ}36'00''$ East, 416.47 feet; to the POINT OF

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BEGINNING.

APN 1320-29-301-002

"IN COMPLIANCE WITH NEVADA REVISED STATUTE 111.312, THE
HEREIN ABOVE LEGAL DESCRIPTION WAS TAKEN FROM INSTRUMENT
RECORDED OCTOBER 14, 1988, BOOK 1088, PAGE 1677, AS FILE
NO. 188510, RECORDED IN THE OFFICIAL RECORDS OF DOUGLAS
COUNTY, STATE OF NEVADA."

PARCEL 8:

A rectangular piece or parcel of land situate, lying and
being in the Southwest 1/4 of the Southwest 1/4 of Section
29, Township 13 North, Range 20 East, M.D.B.&M., adjacent
to the Northern side of Railroad Avenue (U.S. 395) in the
Town of Minden, Douglas County, Nevada, more particularly
described as follows:

BEGINNING at the point of intersection of the Western
Boundary of Seventh Street extended Northerly and the
Northern Boundary of Railroad Avenue (U.S. 395) in said
Town of Minden; thence North $63^{\circ}25'$ West along said
Northern Boundary a distance of 159 feet to a point; thence
North $26^{\circ}35'$ East a distance of 120 feet to a point; thence
South $63^{\circ}25'$ East a distance of 159 feet to a point; thence
South $26^{\circ}35'$ West a distance of 120 feet to THE POINT OF
BEGINNING.

EXCEPT THEREFROM: that portion of a parcel of said land
conveyed to the County of Douglas in Deed recorded May 7,
1982, in Book 582, Page 342, Document No. 67574, of
Official Records of Douglas County, Nevada.

APN 1320-29-401-010

TOGETHER WITH a non-exclusive easement for roadway and
incidental purposes over, under and across the West 13 feet
of that portion of the Southwest 1/4 of Section 29,
Township 13 North, Range 20 East, M.D.B.&M., as set forth
in Easement Deed recorded January 5, 1984 in Book 184, Page
149, Document No. 093839, of Official Records of Douglas
Continued on next page

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LEGAL DESCRIPTION - continued
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County, Nevada.

"IN COMPLIANCE WITH NEVADA REVISED STATUTE 111.312, THE
HEREIN ABOVE LEGAL DESCRIPTION WAS TAKEN FROM INSTRUMENT
RECORDED AUGUST 1, 1997, BOOK 897, PAGE 332, AS FILE NO.
418590, RECORDED IN THE OFFICIAL RECORDS OF DOUGLAS COUNTY,
STATE OF NEVADA."

PARCEL 9:

That portion of the Southwest one-quarter of Section 29,
Township 13 North, Range 20 East, M.D.B.&M., more
particularly described as follows:

COMMENCING at the intersection of the Northerly right of way
line of U.S. Route 395, also known as Railroad Avenue, and
the Easterly right of way line, extension of Seventh Street
as shown on that certain Record of Survey recorded
September 2, 1980, in Book 980, Page 057, Document No.
48058, Official Records of Douglas County, State of Nevada,
being the True Point of Beginning; thence North 63°25'00"
West, 70.25 feet; thence North 26°35'00" East, 110.00 feet;
thence South 63°25'00" East, 70.00 feet; thence South
26°35'00" West, 110.00 feet to the TRUE POINT OF BEGINNING.

Reference is made to Record of Survey recorded September 2,
1980 in Book 980, Page 57, Document No. 48058, Official
Records, Douglas County, Nevada.

APN 1320-29-401-009

Together with a Non-exclusive easement for road and
incidental purposes, over, under and across the East 13
feet of the following described Parcel of land:

A rectangular piece of parcel of land situate, lying and
being in the Southwest 1/4 of the Southwest 1/4 of Section
29, Township 13 North, Range 20 East, M.D.B.&M., adjacent
to the Northern side of Railroad Avenue (U.S. 395) in the
Town of Minden, Douglas County, Nevada, more particularly
described as follows:

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Beginning at the point of intersection of the Western Boundary of Seventh Street extended Northerly and the Northern Boundary of Railroad Avenue (U.S. 395) in said Town of Minden; thence North 63°25' West, along said Northern Boundary, a distance of 159 feet to a point; thence North 26°35' East, a distance of 120 feet to a point; thence South 63°25' East, a distance of 159 feet to a point; thence South 26°35' West, a distance of 120 feet to POINT OF BEGINNING.

"IN COMPLIANCE WITH NEVADA REVISED STATUTE 111.312, THE HEREIN ABOVE LEGAL DESCRIPTION WAS TAKEN FROM INSTRUMENT RECORDED AUGUST 1, 1997, BOOK 897, PAGE 332, AS FILE NO. 418590, RECORDED IN THE OFFICIAL RECORDS OF DOUGLAS COUNTY, STATE OF NEVADA."

PARCEL 10:

PARCEL A:

A parcel of land in the Town of Minden, North of Highway 395, and West of Buckeye Lane (Sixth Street), and also being in the South 1/2 of the Southwest 1/4 of Section 29, Township 13, North, Range 20 East, M.D.B.&M., in Douglas County, Nevada, more particularly described as follows:

BEGINNING at the Northwest corner of the intersection of Buckeye Lane and Highway 395 from which the Minden Town Monument bears South 59°06'23" East, 713.05 feet. The Town Monument being located South 89°18'25" East, 4649.90 feet from the one-quarter corner common to Sections 30 and 31, in Township 13 North, Range 20 East, M.D.B.&M., thence running along the Northerly side of Highway 395, North 63°25' West, 1423.40 feet; thence North 26°35' East, 120.00 feet; thence South 63°25' East, 690.00 feet; thence North 79°00' East, 114.27 feet to the True Point of Beginning; thence continuing North 79°00' East, 289.54 feet to a point; thence South 26°35' West, 176.29 feet to a point; thence North 63°25' West, 222.45 feet to the Point of Beginning.

EXCEPTING THEREFROM, a parcel of land located within a portion of the Southwest one-quarter of Section 29,

Continued on next page

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LEGAL DESCRIPTION - continued
Order No.:050500420

Township 13 North, Range 20 East, M.D.B.&M., Douglas County, Nevada, Being further described as area "B" as shown on the map filed within the Official Records of Douglas County, Nevada as Document No. 86414 and being more particularly described as follows:

Commencing at a point lying at the intersection of the Northerly right-of-way line of U.S. Highway 395 and the Westerly right-of-way line of 8th Street; thence North $26^{\circ}35'00''$ East, 154.05 feet along the Westerly right-of-way line of 8th Street; thence North $79^{\circ}00'00''$ East, 58.44 feet to the POINT OF BEGINNING; thence North $79^{\circ}00'00''$ East, 96.79 feet; thence South $26^{\circ}35'00''$ West, 59.04 feet to a point on the Northerly right-of-way line of 8th Street; thence North $63^{\circ}25'00''$ West, 76.70 feet to the POINT OF BEGINNING.

PARCEL B:

A parcel of land located within a portion of the Southwest One-Quarter of Section 29, Township 13 North, Range 20 East, M.D.B.&M., Douglas County, Nevada, Being further described as area "A" as shown on the map filed within the Official Records of Douglas County, Nevada, Document No. 86414 and being more particularly described as follows:

Commencing at a point lying at the intersection of the Northerly right-of-way line of U.S. Highway 395 and the Westerly right-of-way line of 8th Street; thence North $26^{\circ}35'00''$ East, 154.05 feet along the Westerly right-of-way line of 8th Street; thence North $79^{\circ}00'00''$ East, 155.23 feet to the POINT OF BEGINNING; thence North $26^{\circ}35'00''$ East, 59.03 feet; thence South $63^{\circ}25'00''$ East, 76.71 feet; thence South $79^{\circ}00'00''$ West, 96.80 feet to the POINT OF BEGINNING.

APN 1320-29-401-005

"IN COMPLIANCE WITH NEVADA REVISED STATUTE 111.312, THE
HEREIN ABOVE LEGAL DESCRIPTION WAS TAKEN FROM INSTRUMENT
RECORDED SEPTEMBER 2, 1997, BOOK 997, PAGE 331, AS FILE NO.
420810, RECORDED IN THE OFFICIAL RECORDS OF DOUGLAS COUNTY,
Continued on next page



LEGAL DESCRIPTION - continued
Order No.:050500420

STATE OF NEVADA."

PARCEL 11:

A parcel of land situate in the TOWN OF MINDEN, Nevada, and being a portion of the Southwest 1/4 of the Southwest 1/4 of Section 29, Township 13 North, Range 20 East, M.D.B.&M. and being more particularly described as follows:

Commencing at a point in the Northerly right of way line of Railroad Ave. at the intersection of the centerline of Ninth St. produced; thence along the Northerly right of way line of Railroad Ave., North $63^{\circ}25'00''$ West, 57.00 feet to the True Point of Beginning; thence continuing North $63^{\circ}25'00''$ West, 75.00 feet to a 1/2" rebar; thence normal to said right of way line North $26^{\circ}35'00''$ East 120.00 feet to a 1/2" rebar; thence parallel to said right of way line South $63^{\circ}25'00''$ East, 75.00 feet to a 12" rebar; thence South $26^{\circ}35'00''$ West, 120.00 feet to a 1/2 rebar at the Point of Beginning.

APN 1320-29-401-003

"IN COMPLIANCE WITH NEVADA REVISED STATUTE 111.312, THE HEREIN ABOVE LEGAL DESCRIPTION WAS TAKEN FROM INSTRUMENT RECORDED DECEMBER 30, 1999, BOOK 1299, PAGE 5501, AS FILE NO. 483594, RECORDED IN THE OFFICIAL RECORDS OF DOUGLAS COUNTY, STATE OF NEVADA."

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