

OFFICIAL RECORD

Requested By:

STEWART TITLE OF DOUGLAS

COUNTY

Douglas County - NV
Werner Christen - Recorder

Page: 1 of 7 Fee: 20.00
BK-1205 PG- 6547 RPTT: 0.00



APN: 1318-09-810-109

Recording requested by:

Stewart Title Company
1663 US Highway 395, #101
Minden, Nevada 89451

After recording mail to:

Robert D. Spitzer, Attorney
264 Village Blvd. Building 2
Incline Village, Nevada 89451

050103262

**DEED OF TRUST AND SECURITY AGREEMENT
WITH ASSIGNMENT OF RENTS**

THIS DEED OF TRUST AND SECURITY AGREEMENT (the "Deed of Trust") is made as of the 14 day of Nov., 2005, by and among Gordon R. Lane and Carol L. Lane, husband and wife, and Kevin R. Lane, unmarried man, whose address is P.O. Box 456, Zephyr Cove, Nevada 89448, as trustor and debtor ("Trustor"), Stewart Title of Douglas County, as trustee ("Trustee"), and Granite & Pine Development, LLC, a Nevada limited liability company, as to an undivided 25% interest, Blue Lake National, LLC, a Nevada limited liability company, as to an undivided 25% interest, Tradewinds Group Int., LLC, a Nevada limited liability company, as to an undivided 25% interest, and The Sunnyside of the Street Development, LLC, a Delaware limited liability company, as to an undivided 25% interest, all as tenants in common, as secured parties and beneficiaries (collectively, "Beneficiary"), whose address is C/O R.D. Spitzer, 264 Village Blvd. Building 2, Incline Village, NV 89451

1. **Grant of Deed of Trust.** Trustor does irrevocably grant, transfer, and assign to Trustee, in trust, with power of sale, all Trustor's right, title, and interest now owned or later acquired in the real property ("Land") located in Douglas County, Nevada, and more particularly described in attached Exhibit A, together with:

(a) all buildings, other improvements, and fixtures now or later on the Land (the "Improvements");

(b) All present and future rights and entitlements, of any nature whatsoever, to develop, improve, construct improvements to, permit improvements to exist on, or otherwise make use of, any of the Land and/or Improvements including, without limitation, any right to transfer any portion of such rights and entitlements or any interest therein (collectively, the "Land Use Entitlements"), regardless of whether such Land Use Entitlements are being utilized at any time and regardless of whether such Land Use

Entitlements are transferred or severed from the Land or Improvements at any time. The Land Use Entitlements shall include, without limitation, all Land Coverage, Allowable Land Coverage, Base Coverage, Transferred Coverage, Potential Land Coverage, Hard Coverage, Soft Coverage, Development Rights, Residential Allocations, Existing Developments and Units of Use (all as defined, or contemplated, by the Tahoe Regional Planning Agency Code of Ordinances);

(c) all rights, privileges, tenements, hereditaments, rights-of-way, easements, and appurtenances now or hereafter belonging to the Land or the Improvements (the "Appurtenances");

(d) 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 and/or the Improvements, including, without limitation: (1) ditch, well, pipeline, spring, and reservoir rights, whether or not adjudicated or evidenced by any well or other permit; (2) all rights with respect to groundwater underlying the Land; (3) any permit to construct any water well, water from which is intended to be used in connection with the Land (the "Water Rights");

(e) the rents, issues, and profits, subject however, to the right, power, and authority granted and conferred on Trustor in this Deed of Trust to collect and apply the rents, issues, and profits (the "Rents").

The Land, Improvements, Land Use Entitlements, Water Rights, and Rents are referred to herein as the "Real Property Collateral".

2. **Grant of Security Interest.** Trustor grants a security interest to Beneficiary in the following described personal property (the "Personal Property Collateral"), which Trustor now has or may hereafter acquire, pursuant to the Commercial Code:

- (a) the Water Rights;
- (b) the Land Use Entitlements, and
- (c) any other personal property (other than fixtures) included in the property defined herein as Real Property Collateral; and
- (d) Any and all proceeds, products, rents, income, and profits of any of the foregoing, including, without limitation, all money, accounts, general intangibles, deposit accounts, documents, instruments, chattel paper, goods, insurance proceeds, and any other tangible or intangible property received upon the sale or disposition of any of the foregoing.

The Real Property Collateral and the Personal Property Collateral described herein above are sometimes hereinafter collectively referred to as the "Collateral".

Strebeigh/ First D of T (11-03-05)



3. **Obligations Secured.** This Deed of Trust is granted for the purpose of securing the following: (1) payment of the sum of \$1,000,000.00 with interest thereon according to the terms of a promissory note or notes of even date herewith made by Trustor, payable to order of Beneficiary, and all extensions or renewals thereof; (2) the performance of each agreement of Trustor incorporated herein by reference or contained herein; and (3) payment of additional sums and interest thereon that may hereafter be loaned to Trustor, or to his successors or assigns, when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust.

4. **Protection of Security.** To protect the security of this Deed of Trust, and with respect to the property above-described, and when not inconsistent with other covenants and provisions herein contained, the agreements, terms, and provisions contained in subdivisions A and B of the fictitious deed of trust are by this reference incorporated herein and made a part of this Deed of Trust for all purposes as fully as if set forth at length herein, with the following changes:

B(8) Covenant No. 4 (interest 10%); in the fictitious deed of trust, "property" includes the "Real Property Collateral" and/or the "Personal Property Collateral" as defined herein, and "buildings" in the fictitious deed of trust includes "Improvements" as defined herein. The fictitious deed of trust has been recorded in the office of each County Recorder in the State of Nevada on January 30, 1968, in the book and page therefore, or under the document or file number, noted below opposite the name of such county, namely:

<u>COUNTY</u>	<u>BOOK</u>	<u>PAGE</u>	<u>DOC. NO.</u>
Churchill	39 mortgages	363	115384
Clark	850 Off. Rec.		682747
Douglas	57 Off. Rec.	115	40050
Elko	92 Off. Rec.	652	35747
Esmeralda	3-X Deeds	195	35922
Eureka	22 Off. Rec.	138	45941
Humboldt	28 Off. Rec.	124	131075
Lander	24 Off. Rec.	168	50782
Lincoln			45902
Lyon	37 Off. Rec.	341	100661
Mineral	11 Off. Rec.	129	89073
Nye	105 Off. Rec.	107	04823
Ormsby	72 Off. Rec.	537	32867
Pershing	11 Off. Rec.	249	66107
Storey	"S" Mortgages	206	31506
Washoe	300 Off. Rec.	517	107192
White Pine	295 R.E. Records	258	

As modified above, Trustor expressly makes each and all of the agreements, and adopts and agrees to perform and be bound by each and all of the terms and provisions set forth in subdivision A of such fictitious deed of trust; and it is mutually agreed that each

Strebeigh/ First D of T (11-03-05)



and all of the terms and provisions set forth in subdivision B of the fictitious deed of trust shall inure to and bind the parties hereto, with respect to the Collateral. Beneficiary may charge for a statement regarding the obligation secured hereby, provided the charge therefor does not exceed a reasonable amount.

5. **Other Remedies.** The rights, powers, and remedies given to Beneficiary by this Deed of Trust shall be in addition to all rights, powers, and remedies given to Beneficiary by virtue of any statute or rule of law. Any forbearance or failure or delay by Beneficiary in exercising any right, power, or remedy hereunder shall not be deemed to be a waiver of any other right, power, or remedy, nor as a continuing waiver.

Beneficiary shall have the option of exercising any and all remedies it may possess under NRS Chapters 107 and 104 or any other remedy it may possess in law or equity and may exercise such remedies concurrently, consecutively in any order, or alternatively, at its sole discretion. Without in any way limiting the generality of the foregoing, upon the occurrence of a default by Trustor, Beneficiary may proceed under Article 9 of Chapter 104 of the Nevada Revised Statutes ("Article 9") as to the Personal Property Collateral, and under Chapter 107 of the Nevada Revised Statutes as to the Real Property Collateral; or Beneficiary may proceed as to both the Real Property Collateral and Personal Property in accordance with Beneficiary's rights and remedies with respect to the Real Property Collateral, in which case the provisions of Article 9 do not apply. In the event Beneficiary elects to proceed under Article 9 as to the Personal Property Collateral, then Beneficiary shall, in its sole discretion, determine which of the Collateral is personal property and therefore subject to the provisions of Article 9.

Trustor hereby acknowledges that in the event Beneficiary elects to sell the Personal Property Collateral pursuant to the provisions of Chapter 107 of the Nevada Revised Statutes (as the same may be amended from time to time), or pursuant to a court order rendered in a judicial foreclosure proceeding, such sale shall be deemed to constitute a "commercially reasonable" sale within the meaning of Article 9 as to the Personal Property Collateral.

In the event of default, Beneficiary may require Trustor to assemble the Personal Property Collateral and make it available to Beneficiary at a place to be designated by Beneficiary that is reasonable convenient to both parties.

6. **Due on Sale.** In the event that Trustor, or any successor in interest to Trustor in the Collateral, shall sell, transfer or convey, or enter into a contract of sale to sell, transfer or convey, the Collateral, or any portion thereof, or any interest therein, then at the option of Beneficiary, the obligation secured by this Deed of Trust shall forthwith become due and payable although the time of maturity as otherwise expressed therein shall not have arrived. Consent to one such transaction shall not be deemed to be a waiver of the right to require consent to future or successive transactions.




7. **Request for Notice.** Trustor requests that a copy of any notice of default and any notice of sale hereunder be mailed to Trustor at Trustor's address above set forth.

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

Trustor:


Gordon R. Lane


Carol L. Lane


Kevin R. Lane

A. KALAMARAS
Notary Public - State of Nevada
Appointment Recorded in Douglas Co.
No: 00-60942-5 Exp. March 1, 2008

STATE OF NEVADA)
COUNTY OF Douglas) SS




This instrument was acknowledged before me on November 14, 2005, by Gordon R. Lane.


Notary Public

A. KALAMARAS
Notary Public - State of Nevada
Appointment Recorded In Douglas Co.
No: 00-60942-5 Exp. March 1, 2008

STATE OF NEVADA)
COUNTY OF Douglas)^{SS}

This instrument was acknowledged before me on November 14, 2005, by
Carol L. Lane.


Notary Public

A. KALAMARAS
Notary Public - State of Nevada
Appointment Recorded In Douglas Co.
No: 00-60942-5 Exp. March 1, 2008

STATE OF NEVADA)
COUNTY OF Douglas)^{SS}

This instrument was acknowledged before me on November 14, 2005, by
Kevin R. Lane.


Notary Public

A. KALAMARAS
Notary Public - State of Nevada
Appointment Recorded In Douglas Co.
No: 00-60942-5 Exp. March 1, 2008

EXHIBIT A

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



EXHIBIT A

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

Lot 3, Block A as shown on the Amended Map of Subdivision No. 2, Zephyr Cove Properties, Inc., in Sections 9 and 10, Township 13 North, Range 18 East, M.D.B.&M., filed in the office of the County Recorder of Douglas County, Nevada, on August 5, 1929, as Document No. 267.

Assessors Parcel No. 1318-09-810-109

Except Therefrom: any portion of the above described property lying within the bed of Lake Tahoe below the line of natural ordinary high water and also excepting any artificial accretions to the land waterward of the line of natural ordinary high water or, if lake level has been artificially lowered, excepting any portion lying below an elevation of 6,223.00 feet, Lake Tahoe Datum established by NRS 321.595.

Strebeigh/ First D of T (11-03-05)

