

Lincoln County

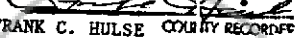


Bringing Ideas, People and Purposes Together...

No. 094659
FILED AND RECORDED AT REQUEST OF
James A. Gottholm
26 July 1990
AT 15 MINUTES PAST 4 O'CLOCK
P. M. BOOK 91 OF OFFICIAL
RECORDS, PAGE 524 LINCOLN
COUNTY, NEVADA

Mr. James A. Gottholm
1020 E. Desert Inn Road
Suite 1503
Las Vegas, Nevada 89109

May 12, 1989

Dear Jim: 
FRANK C. HULSE COUNTY RECORDER

This is a recap of the 6.15 acre parcel involving the Topsider Treehouses.

1. Treehouse Nos. 1, 2 and 3 were each sold to three individual partnerships for the appraised value of \$280,000 each. All of these partnerships are in default having not made any payments for four years.
2. Destination Resorts pledged the paper totaling \$840,000 for 60% of the total or \$504,000. This was bonded by Cal-Farm Insurance through Barclays Mortgage Corporation.
3. I personally guarantyeed the \$504,000 to Barclays Mortgage. I am in default, however, I expect the full amount to be offset because of the RICO Act perpetrated by Mr. Fred Parrish.
4. Destination Resorts, Inc. has not dunned the partnership because they were expecting income from the units under a resort rental plan. Cal-Farm and Barclays have not dunned Destination Resorts, Inc. because of the pending litigation. also, Cal-Farm and Barclays Mortgage both went bankrupt.
5. I expect all of the above to be a wash and I may recover some damages besides.
6. As to the remaining acreage, which includes Lot #4, I borrowed \$125,000 from George Sant. He was to get \$6,000 for each of the remaining lots as they were sold for a total of \$162,000. The papers concerning the Quitclaim Deed with George are enclosed.

As it stands, I have the right as President of Destination Resorts, Inc. to allow you to use the Treehouses, but at the