

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

THIS DEED OF TRUST, ASSIGNMENT OF RENTS, AND SECURITY AGREEMENT (the "Deed of Trust") made this 6 day of December, 1996, between WESTERN ELITE, INC., a Nevada corporation, herein called GRANTOR or TRUSTOR, whose mailing address is Lamond R. Mills, Esq., 316 East Bridger, Suite 202, Las Vegas, Nevada 89101, and Douglas R. Malan, Esq., Deaner, Deaner, Scann, Curtas & Malan, 720 South Fourth Street, Suite 300, Las Vegas, Nevada 89101, herein called TRUSTEE, and BEDROC LIMITED, LLC., a Nevada limited liability company, herein called BENEFICIARY.

WHEREAS Trustor has borrowed and received from Beneficiary the sum of Two Hundred Thousand Dollars (\$200,000.00) and has agreed to repay the same, with interest, to Beneficiary in lawful money of the United States according to the terms of a Promissory Note of even date herewith, executed and delivered therefor by Trustor.

NOW, THEREFORE, for the purpose of securing each agreement of the Trustor herein contained including payment of the said Promissory Note and of any money with interest thereon that may be advanced by or otherwise become due to Trustee or Beneficiary under the provisions hereof and for the purpose of securing payment of such additional sums as may be hereafter advanced for the account of Trustor by Beneficiary with interest thereon and all extensions or renewals thereof and the performance of each agreement of Trustor incorporated herein by reference or contained herein, Trustor irrevocably GRANTS AND TRANSFERS TO TRUSTEE, in TRUST WITH POWER OF SALE, all that property in Lincoln County, Nevada, described on Exhibit "A" attached hereto and made a part hereof.

TOGETHER WITH all appurtenances in which Trustor has any interest, including water rights appertaining to said realty whether represented by shares of a company or otherwise (collectively the "Property"); and

TRUSTOR ALSO ASSIGNS to Beneficiary all rents, issues, and profits of the Property, reserving the right to collect and use the same except during continuance of some default hereunder and during continuance of such default authorizing Beneficiary to collect and enforce the same by any lawful means in the name of any party hereto.

TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR AGREES:

1. To properly care for and keep the Property in good condition and repair; not to remove or demolish any building thereon; to complete in a good and workmanlike manner any building which may be constructed thereon, and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws, ordinances and regulations requiring

any alterations or improvements to be made thereon; not to commit or permit any waste thereof; not to commit, suffer or permit any act to be done in or upon the Property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and/or do any other act or acts, all in a timely and proper manner, which, from the character or use of the Property, may be reasonably necessary, the specific enumerations herein not excluding the general. Nothing herein shall be interpreted to or in any way apply to any removable structure, building or equipment owned and placed on the Property by Nevada Construction Clean-Up, Inc. (hereinafter "Clean-Up"), though connected to sewer or water lines.

2. The Grantor agrees to pay and discharge all costs, fees and expenses of these Trusts, including cost of evidence of title and Trustee's fees in connection with sale, whether completed or not, which amounts shall become due upon delivery to Trustee of Declaration of Default and Demand for sale, as hereinafter provided.

3. The amount collected under any fire insurance policy shall be credited; first, to accrued interest, next to expenditures hereunder; and any remainder upon the principal; and interest shall thereupon cease upon the amount so credited upon principal; provided, however, that at the option of the Beneficiary the entire amount collected under the policies or any part thereof may be released to the Grantor, without liability upon the Trustee for such release.

4. The Grantor promises and agrees that if, during the existence of this Deed of 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, he will appear in and defend any such matter purporting to affect the security and will pay all costs and damages arising because of such action.

5. Any award of damages in connection with any condemnation for public use of or injury to the Property or any part hereof is hereby assigned and shall be paid to Beneficiary, who may apply or release such moneys received by him in the same manner and with the same affect as herein provided for disposition of proceeds of insurance. This paragraph is not intended to nor will it effect the condemnation rights that Clean-Up will have as to Trustor as a result of such actions.

6. Trustee shall be under no obligation to notify any party hereto of any pending sale hereunder of or action or proceeding of any thing in which Grantor, Beneficiary and/or Trustee shall be named as defendant, unless brought by Trustee.

7. Acceptance by Beneficiary of any sum in payment of any indebtedness secured hereby, after the date when the same is due, shall not constitute a waiver of the right either to require prompt payment, when due, of all other sums so secured or to declare default as herein provided for failure so to pay.

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8. Trustee may, at any time, or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and the Promissory Note secured hereby for endorsement, and without affecting the personal liability of any person or payment of the indebtedness secured hereby or the effect of this Deed of Trust upon the remainder of the Property; reconvey any part of the Property; consent in writing to the making of any map or plat thereof; join in granting any easement thereof; or join in any extension agreement or subordination agreement in connection herewith.

9. Upon receipt of written request from Beneficiary reciting that all sums secured hereby have been paid and upon surrender of this Deed of Trust and Promissory Note to Trustee for cancellation and retention and upon payment of its fees, the Trustee shall reconvey without warranty the property then held hereunder. The recitals in such reconveyance of any matters of 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," and Trustee is authorized to retain this Deed of Trust and Promissory Note.

10. Should default be made by Grantor in payment of any indebtedness secured hereby and/or in performance of any agreement herein, then Beneficiary may declare all sums secured hereby immediately due by delivery to Trustee of a written declaration of default and demand for sale, and of written notice of default and election to cause the Property to be sold (which notice Trustee shall cause to be filed or record) and shall surrender to Trustee this Deed of Trust, the Promissory Note and all documents evidencing any expenditures secured hereby, and Beneficiary may at their option by itself or by a receiver to be appointed by the Court, without regard to the adequacy of any security for indebtedness, enter and take possession of the Property, exclude the Grantor, collect the rents, if any, and apply them to the indebtedness pursuant to the assignment of rents set forth above.

11. After three months shall have elapsed following recordation of any such notice of default, Trustee shall sell the Property at such time and at such place in the State of Nevada as the Trustee, in its sole discretion, shall deem best to accomplish the objects of these Trusts, having first given notice of such sale as then required by law. Place of sale may be either in the county in which the property to be sold, or any part thereof, is situated, or at an office of the Trustee located in the State of Nevada.

(a) Grantor of any personal property herein pledged and/or mortgaged waives any and all other demands or notices as conditions precedent to sale of such personalty.

(b) Trustee may postpone sale of all, or any portion of the Property by public announcement at the time fixed by said notice of sale, any may thereafter postpone said sale from time to time by public announcement at the time previously appointed.

(c) At the time of sale so fixed, Trustee may sell the Property so advertised or any part thereof, either as a whole or in separate parcels at its sole discretion at public

auction, to the highest bidder for cash in lawful money of the United States, payable at time of sale, and shall deliver to such purchaser a deed conveying the Property so sold, but without covenant or warranty, express or implied, Grantor hereby agrees to surrender, immediately and without demand, possession of the Property to such purchaser.

12. That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of the Property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues, and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, without bringing any action or proceeding, and irrespective of whether declaration of default has been delivered to Trustee, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of the Property or any part thereof, hold, occupy, possess and enjoy the same, make, cancel, enforce or modify leases, obtain and eject defaulting tenants, set or modify rents and terms of rents, in his own name sue for or otherwise collect the rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, all as determined by Beneficiary, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of the Property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

13. Trustee shall apply the proceeds of any such sale to payment of: expenses of sale and all charges and expenses of Trustee and of these Trusts, including cost of evidence of title and Trustee's fee in connection with sale; all sums expended under the terms hereof, not then repaid, with accrued interest at the rate of eight percent (8.0%) per annum or twelve percent (12%) per annum, as appropriate; all other sums then secured hereby, and the remainder, if any, to the person or persons legally entitled thereto.

14. The Beneficiary or assigns may, at any time, by instrument in writing, appoint a successor or successors to the Trustee named herein or acting hereunder, which instrument, executed and acknowledged by Beneficiary, and recorded in the Office of the County Recorder of the County wherein the Property is situated, shall be conclusive proof of the proper substitution of such successor or trustee, who shall have all the estate, powers, duties and trusts in the premises vested in or conferred on 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 his acts shall be deemed to be the acts of all Trustees, and the recital in any conveyance executed by such sole trustee of such requests shall be conclusive evidence thereof, and of the authority of such sole Trustee to act. The bringing of any action under the Deed of Trust for enforcement of any right under the Deed of Trust, including the right to rent, should not be construed to be a waiver of any other right thereunder.

15. 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.

16. Trustee accepts these trusts when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law.

17. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural, and the term Beneficiary shall include any future holder, including any pledgee, of the Promissory Note secured hereby.

18. Security Agreement. With respect to the Property hereinabove described, this Deed of Trust, Assignment of Rents, and Security Agreement shall constitute a security agreement between Trustor and Beneficiary, and, cumulative of all other rights of Beneficiary hereunder, Beneficiary shall have all of the rights conferred upon secured parties by the Nevada Uniform Commercial Code. Trustor agrees to execute one or more financing statements covering such collateral in the manner and form required by law and to the satisfaction of Beneficiary. On demand, Trustor will promptly pay all costs and expenses of filing financing statements, continuation statements, partial releases and termination statements deemed necessary or appropriate for Beneficiary to establish and maintain the validity and priority of the security interest of Beneficiary, or any modification thereof, and all costs and expenses of any searches reasonably required by Beneficiary. Beneficiary may exercise any or all of the remedies of a secured party available to it under the Uniform Commercial Code with respect to such collateral, and it is expressly agreed that if upon default Beneficiary should proceed to dispose of the collateral in accordance with the provisions of the Uniform Commercial Code, ten (10) days notice by Beneficiary to Trustor shall be deemed to be reasonable notice under any provision of the Uniform Commercial Code requiring such notice; provided, however, that Beneficiary may at its option dispose of the collateral in accordance with Beneficiary's rights and remedies in respect of the real property pursuant to the provisions of this Deed of Trust, Assignment of Rents and Security Agreement, in lieu of proceeding under the Uniform Commercial Code.

19. Transfers of the Property or Beneficial Interests in Trustor. If without Beneficiary's prior written consent the property encumbered by the Deed of Trust which secures this Note or any portion thereof or any interest therein (the "Property") is sold, conveyed, mortgaged, encumbered (including, but not limited to Land Sale Leaseback, Installment Sale Contract, Lease-Option Leaseback, Contract for Deed of Conditional Sales Contract Financing), hypothecated, assigned, leased in its entirety or transferred ("Transfer"), or if Trustor shall enter into an agreement so to do, or if Trustor shall be voluntarily or involuntarily divested of title to the Property, or any portion thereof or any interest due under this Note shall, at the option of Beneficiary and without notice, become immediately due and payable. Beneficiary's option hereunder may be exercised at any time after any such event, and the acceptance by Beneficiary of one or more installments of principal or interest hereunder from any person thereafter shall not constitute a waiver of Beneficiary's option. Beneficiary's failure to exercise this option with

regard to any one such event or occurrence shall not be construed as a waiver of this option with regard to any subsequent occurrence. For purposes of this Paragraph, the word "Transfer" shall also include, without limitation, the following:

- (a) if the Trustor or any of its general partners is a corporation, a transfer of a majority of the outstanding voting stock of the Trustor or such corporation;
- (b) if the Trustor or any of its general partners is a partnership, a transfer or any of the general partnership interests in the Trustor or such general partner; and
- (c) if the Trustor or any of its general partners is a trust or other equity, a transfer of a majority of the beneficial interest in the Trustor or such general partner.

20. Beneficiary shall be entitled to reasonable attorneys' fees and costs in the event they take any legal action to protect their interests described herein or in the Promissory Note secured hereby.

21. If the Property herein described should be sold or otherwise transferred, whether voluntarily or by judicial sale or otherwise, or if any part thereof should be so transferred, the entire indebtedness secured hereby shall be immediately due and payable.

22. The undersigned Trustor requests that a copy of any Notice of Default and of any Notice of Sale hereunder be mailed to them at its address hereinabove set forth.

"GRANTOR/TRUSTOR"

WESTERN ELITE, INC.,
a Nevada corporation

BY: Ryan Williams
Its President

STATE OF NEVADA)
)ss.
COUNTY OF CLARK)

This instrument was acknowledged before me on December 6, 1996 by Ryan Williams as President of WESTERN ELITE, INC., a Nevada corporation

Ella Early
NOTARY PUBLIC

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EXHIBIT "A"

Legal Description

Lot #11, SE 1/4 of the SE 1/4 of Section 24,
Township 11 South, Range 62 East, MDBM
Lincoln County Nevada.

A portion of APN 08-201-02.

No. 106834

filed and recorded at request of

Western Elite Inc.

Dec. 20, 1996

At 25 minutes past 11 o'clock
Lincoln County Nevada Recorder.

Jessie Debra
COUNTY RECORDER