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Loan No. TCL 10428

RECORDING REQUESTED BY:

WHEN RECORDED MAIL TO:

INMC MORTGAGE HOLDINGS, INC.
155 North Lake Avenue, CLCA-B 11TH FLOOR
Pasadena, California 91101
Attention: Construction Lending Division

SPACE ABOVE LINE FOR RECORDER'S USE

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

THIS TRUST DEED WITH ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING ("Trust Deed"), dated May 27, 1998, is made by COYOTE SPRINGS INVESTMENT LLC, a Nevada limited-liability company ("CSI") and HARRICH INVESTMENTS, LLC, a Nevada limited-liability company ("Harrich"), whose address is c/o Wingfield Springs, 7755 Spanish Springs Road, Sparks, Nevada 89436 (CSI and Harrich are referred to herein collectively as "Trustor"), in favor of STEWART TITLE OF NEVADA ("Trustee"), and INMC Mortgage Holdings, Inc., a Delaware corporation d/b/a Construction Lending Corporation of America, whose address is 155 North Lake Avenue, Pasadena, California 91101, Attention: Construction Lending Division ("Beneficiary"), and is executed pursuant to the Loan Agreement dated as of the date of this Trust Deed between Beneficiary and CSI (such Loan Agreement, as it may from time to time be supplemented, modified and amended, being referred to in this Trust Deed as the "Agreement"), the provisions of which are incorporated in this Trust Deed by reference. The Agreement provides, among other things, for rules of construction which apply to this Trust Deed. Capitalized terms used in this Trust Deed and not otherwise defined are used with the meanings set forth in the Agreement.

1.00 Grant in Trust and Security Agreement. For valuable consideration, Trustor irrevocably grants, transfers and assigns to Trustee, in trust, with power of sale, for the benefit of Beneficiary, the following property (the "Trust Estate"):

(A) the real property described in Exhibit "A" attached to this Trust Deed and incorporated in this Trust Deed by reference (the "Land") which includes: (i) Trustor's fee simple estate in the parcels described in Exhibit "A-1", and (ii) Trustor's leasehold estate in the parcels described in Exhibit "A-2" created by that certain Land Lease Agreement Pursuant to the Nevada-Florida Land Exchange Authorization Act of 1988 dated July 14, 1988, between the United States of America, as lessor, and Aerojet-General Corporation, an Ohio corporation, as lessee, recorded on August 26, 1988, Official Records of Clark County, Nevada, in Book 880826, as Instrument No. 00709, and recorded on July 28, 1988, Official Records of Lincoln County, Nevada, in Book 80, Page 637, as Instrument No. 89200 (the "Lease");

(B) all buildings, structures and other improvements now or in the future located or to be constructed on the Land (the "Improvements");

(C) all tenements, hereditaments, appurtenances, privileges and other rights and interests now or in the future benefiting or otherwise relating to the Land or the Improvements, including easements, rights-of-way, development rights, mineral rights, water rights and water stock now owned or hereafter acquired, including, without limitation, those water rights described in Exhibit "B" attached to this Trust Deed and incorporated in this Trust Deed by reference (the "Appurtenances," and together with the Land and the Improvements, the "Real Property");

(D) subject to the assignment to Beneficiary set forth in § 3.08 below, all rents, issues, income, revenues, royalties and profits now or in the future payable with respect to or otherwise derived from the Real Property or the ownership, use, management, operation, leasing or occupancy of the Real Property, including those past due and unpaid (the "Rents");

(E) all present and future right, title and interest of Trustor in and to all inventory, equipment, fixtures and other goods (as those terms are defined in Article 9 of the Nevada Uniform Commercial Code (the "UCC"), and whether existing now or in the future) now or in the future located at, upon or about, or affixed or attached to or installed in, the Real Property, or used or to be used in connection with or otherwise relating to the Real Property or the ownership, use, development, construction, maintenance, management, operation, marketing, leasing or occupancy of the Real Property, including furniture, furnishings, machinery, appliances, building materials and supplies, generators, boilers, furnaces, water tanks, heating, ventilating and air conditioning equipment and all other types of tangible personal property of any kind or nature, and all accessories, additions, attachments, parts, proceeds, products, repairs, replacements and substitutions of or to any of such property (the "Goods," and together with the Real Property, the "Property"); and

(F) all present and future right, title and interest of Trustor in and to all accounts, general intangibles, chattel paper, deposit accounts, money, instruments and documents (as those terms are defined in the UCC) and all other agreements, obligations, rights and written materials (in each case whether existing now or in the future) now or in the future relating to or otherwise arising in connection with or derived from the Property or any other part of the Trust Estate or the ownership, use, development, construction, maintenance, management, operation, marketing, leasing, occupancy, sale or financing of the Property or any other part of the Trust Estate, including (i) permits, approvals, development agreements and other governmental authorizations, (ii) improvement plans and specifications and architectural drawings, (iii) agreements with contractors, subcontractors, suppliers, project managers and supervisors, designers, architects, engineers, sales agents, leasing agents, owners of other properties, consultants and property managers, (iv) takeout, refinancing and permanent loan commitments, (v) warranties, guaranties, indemnities and insurance policies (including insurance policies obtained in accordance with the Agreement), together with insurance payments and unearned insurance premiums, (vi) claims, demands, awards, settlements and other payments arising or resulting from or otherwise relating to any insurance or any loss or destruction of, injury or damage to, trespass on or taking, condemnation (or conveyance in lieu of condemnation) or public use of any of the Property, (vii) any Cash Collateral Account maintained pursuant to any of the Loan Documents, and any Borrower's Funds or other amounts deposited by Trustor with Beneficiary which are to be held in any such Cash Collateral Account, (viii) leases, rental agreements, license agreements, service and maintenance agreements, purchase and sale agreements and purchase options, including, without limitation, those certain agreements described in Exhibit "C" attached hereto, together with advance payments, security deposits and other amounts paid to or deposited with Trustor under any such agreements, (ix) reserves, deposits, bonds, deferred payments, refunds (including property tax refunds),

reimbursements (including reimbursements from governmental agencies and other property owners in respect of any fees and other amounts paid, improvements constructed or services provided in connection with the development of the Real Property), rebates, discounts, cost savings, escrow proceeds, sale proceeds and other rights to the payment of money, trade names, trademarks, goodwill and all other types of intangible personal property of any kind or nature, and (x) all supplements, modifications, amendments, renewals, extensions, proceeds, replacements and substitutions of or to any of such property (the "Intangibles," and together with the Appurtenances and the Rents, the "Rights").

Trustor further grants to Beneficiary, pursuant to the UCC, a security interest in all present and future right, title and interest of Trustor in and to all Goods and Intangibles in which a security interest may be created under the UCC (the "Personal Property").

2.00 Obligations Secured. This Trust Deed is given for the purpose of securing payment and performance of the following (the "Secured Obligations"): (a) all present and future indebtedness evidenced by the Note dated the date of this Trust Deed in the face principal amount of \$11,212,150.00 executed by CSI in favor of Beneficiary, including principal, interest and all other amounts payable under the terms of the Note; (b) all present and future obligations of Trustor under this Trust Deed; (c) all other present and future obligations of CSI to Beneficiary under the Loan Documents (excluding obligations under any Environmental Indemnity executed by Trustor in favor of Beneficiary unless such Environmental Indemnity states that it is secured by this Trust Deed); and (d) all additional present and future obligations of Trustor to Beneficiary under any other agreement or instrument (whether existing now or in the future) which states that it is, or such obligations are, secured by this Trust Deed; in each case as such indebtedness and other obligations may from time to time be supplemented, modified, amended, renewed and extended, whether evidenced by new or additional Documents or resulting in a change in the interest rate on any indebtedness or otherwise.

3.00 Trustor's Covenants. To protect the security of this Trust Deed, Trustor agrees as follows:

3.01 Payment and Performance of Secured Obligations. Trustor shall pay and perform all Secured Obligations in accordance with the respective terms of such Secured Obligations, whether evidenced by or arising under this Trust Deed, the Note, any of the other Loan Documents or otherwise.

3.02 Maintenance of Trust Estate. Unless Beneficiary otherwise consents in writing, Trustor shall (a) keep the Property in good condition and repair, and promptly and in a good and workmanlike manner (and with new materials of good quality) complete any Improvements to be constructed on the Land, repair or restore any part of the Real Property that may be injured, damaged or destroyed, and repair, restore or replace any Goods that may be injured, damaged, destroyed or lost or that may be or become obsolete, defective or worn out (except that Trustor shall not be required to repair, restore or replace any such Goods of insignificant value which are not reasonably necessary or appropriate to the efficient operation of the Real Property or the completion of the Project), and in each case pay when due all valid claims for labor, service, equipment and material and any other costs incurred in connection with any such action, (b) not remove, demolish or materially alter any Improvements, (c) not construct any Improvements on the Land or undertake any site development work unless contemplated by the Loan Documents or otherwise approved by Beneficiary, (d) not commit or permit any waste of any part of the Property, (e) not permit or consent

to any restriction that would prevent or otherwise impair the use or development of the Real Property for the purposes contemplated by the Agreement, (f) comply in all material respects with all Laws and Other Requirements, and not commit or permit any material violation of any Laws or Other Requirements, which affect any part of the Trust Estate or require any alterations or improvements to be made to any part of the Property, (g) take such action from time to time as may be reasonably necessary or appropriate, or as Beneficiary may reasonably require, to protect the physical security of the Property, (h) except as otherwise permitted by the Agreement, not part with possession of or abandon any part of the Trust Estate or cause or permit any interest in any part of the Trust Estate to be sold, transferred, leased, encumbered, released, relinquished, terminated or otherwise disposed of (whether voluntarily, by operation of law or otherwise), and (i) take all other action which may be reasonably necessary or appropriate to preserve, maintain and protect the Trust Estate, including the enforcement or performance of any rights or obligations of Trustor or any conditions with respect to any Rights.

Without limitation on any obligations of Trustor under the preceding paragraph, in the event that (i) all or a substantial or material portion of the Property is injured, damaged or destroyed by fire or other casualty, or (ii) any of the Property is damaged, destroyed or lost and any Damage Proceeds (as defined in § 3.03) are payable as a result of such occurrence or the cost of the repair, restoration or replacement is reasonably expected to exceed \$50,000, or (iii) any part (but less than all) of the Property is condemned, seized or appropriated by any Governmental Agency (or conveyed, with Beneficiary's consent, in lieu of any such action), the following additional provisions shall apply:

(A) within 30 days (or such longer period as Beneficiary may approve in writing) after the date of such injury, damage, destruction, loss or other event, Trustor shall deliver to Beneficiary, in form and substance reasonably satisfactory to Beneficiary: (1) a written plan for the repair, restoration or replacement of the Property (any such repair, restoration or replacement being referred to as a "Restoration"), including the estimated cost of the Restoration and time of completion, (2) if requested by Beneficiary, a copy of the plans and specifications for the Restoration, and (3) such other Documents and information relating to the Restoration as Beneficiary may reasonably request;

(B) if and to the extent required by Beneficiary, any contracts entered into by Trustor with architects, contractors, subcontractors or suppliers in connection with the Restoration shall be in form and substance and with a Person reasonably satisfactory to Beneficiary;

(C) the Restoration shall be conducted in accordance with the requirements of the Agreement for construction of improvements and such other procedures and requirements as Beneficiary may reasonably specify, and shall be in substantial conformity with the applicable plans and specifications and the plan referred to in paragraph (A) above and in compliance in all material respects with all applicable Laws and Other Requirements;

(D) if Beneficiary reasonably determines at any time that any available Damage Proceeds that Beneficiary may be required to release to Trustor for the Restoration pursuant to § 3.03 are or may be insufficient to pay for all costs of completing the Restoration, then Trustor shall deposit with Beneficiary, on demand, an amount deemed reasonably necessary by Beneficiary to cover such insufficiency (any such amount to be held and disbursed by Beneficiary in accordance with paragraph (E) below); and

(E) any Damage Proceeds that Beneficiary may be required to release to Trustor for the Restoration pursuant to § 3.03, together with any amounts deposited by Trustor with Beneficiary pursuant to paragraph (D) above, shall be held by Beneficiary in a Cash Collateral Account, shall be used solely to pay the cost of the Restoration and shall be disbursed in accordance with the terms, conditions and procedures set forth in the Agreement for Disbursements of the Loan and/or such other terms, conditions and procedures as Beneficiary may reasonably require (including compliance by Trustor with the provisions of paragraphs (A) through (D) above), provided that (1) Beneficiary shall have no obligation to disburse any such amounts if an Event of Default has occurred and is continuing, and (2) if the amount of any such Damage Proceeds received by Beneficiary exceeds the cost of completing the Restoration, the excess may be applied by Beneficiary to the Secured Obligations in such order and manner as Beneficiary may determine or, at the option of Beneficiary, may be released to Trustor.

Any application or release of Damage Proceeds or additional amounts deposited with Beneficiary pursuant to paragraph (D) above (whether under this § 3.02 or § 3.03) shall not cure or waive any Event of Default or notice of default or invalidate any act done pursuant to such notice.

3.03 Insurance, Condemnation and Damage Claims. Trustor shall maintain fire and other insurance on the Property to the extent required by the Agreement. All proceeds of any claim, demand, award, settlement or other payment arising or resulting from or otherwise relating to any such insurance or any loss or destruction of, injury or damage to, trespass on or taking, condemnation (or conveyance in lieu of condemnation) or public use of any of the Property (a "Damage Claim") are assigned and shall be payable and delivered to Beneficiary (any such proceeds of any Damage Claim being referred to in this Trust Deed as "Damage Proceeds"). Trustor shall take all action reasonably necessary or required by Beneficiary in order to protect Trustor's and Beneficiary's rights and interests with respect to any Damage Claim, including the commencement of, appearance in and prosecution of any appropriate action or other proceeding, and Beneficiary may in its discretion participate in any such action or proceeding at the expense of Trustor.

So long as no Event of Default has occurred and is continuing, Trustor may settle, compromise or adjust any Damage Claim with the prior written consent of Beneficiary (which shall not be unreasonably withheld). Upon the occurrence and during the continuance of any Event of Default, Beneficiary shall have the sole right to settle, compromise or adjust any Damage Claim in such manner as Beneficiary may determine, and for this purpose Beneficiary may, in its own name or in the name of Trustor, take such action as Beneficiary deems appropriate to realize on any such Damage Claim. In either case, all Damage Proceeds payable in connection with any such Damage Claim shall be delivered directly to Beneficiary as provided in the preceding paragraph.

Any Damage Proceeds received by Beneficiary may be applied by Beneficiary in payment of the Secured Obligations in such order and manner as Beneficiary may determine, provided that so long as no Event of Default has occurred and is continuing, Beneficiary shall release such Damage Proceeds to Trustor for the Restoration of the Property in the manner set forth in § 3.02, except that Beneficiary shall not be required to release such Damage Proceeds (and may apply such Damage Proceeds to the Secured Obligations as set forth above) to the extent that such Damage Proceeds relate to any condemnation, seizure or other appropriation by any Governmental Agency of all or any portion of the Property (including Damage Proceeds payable in lieu of any such action), or if Beneficiary has reasonably determined that the security of this Trust Deed has been impaired, or will be impaired upon release of Damage Proceeds to Trustor.

3.04 Liens and Taxes. Subject to the right of Trustor to contest any such payments in accordance with the terms of the Agreement, (a) Trustor shall pay, prior to delinquency, all Taxes which are or may become a Lien affecting any part of the Trust Estate (including assessments on appurtenant water stock), and (b) Trustor shall pay and perform when due all other obligations secured by or constituting a Lien affecting any part of the Trust Estate.

3.05 Actions. Trustor shall appear in and defend any claim or any action or other proceeding purporting to affect title or other interests relating to any part of the Trust Estate, the security of this Trust Deed or the rights or powers of Beneficiary or Trustee, and give Beneficiary prompt written notice of any such claim, action or proceeding. Should Trustor not promptly appear or respond to such claim or action, Beneficiary and Trustee may, at the expense of Trustor, appear in and defend any such claim, action or proceeding and any claim, action or other proceeding asserted or brought against Beneficiary or Trustee in connection with or relating to any part of the Trust Estate or this Trust Deed.

3.06 Action By Beneficiary or Trustee. If Trustor fails to perform any of its obligations under this Trust Deed and either (i) such failure shall continue for more than 10 days after notice thereof is given to Trustor, or (ii) Beneficiary shall reasonably determine that immediate corrective action is necessary or appropriate to protect the rights or interests of Beneficiary or Trustee, Beneficiary or Trustee may, but without any obligation to do so and without further notice to or demand upon Trustor and without releasing Trustor from any obligations under this Trust Deed, and at the expense of Trustor: (a) perform such obligations in such manner and to such extent and make such payments and take such other action as either may deem necessary in order to protect the security of this Trust Deed, Beneficiary or Trustee being authorized to enter upon the Real Property for such purposes, (b) appear in and defend any claim or any action or other proceeding purporting to affect title or other interests relating to any part of the Trust Estate, the security of this Trust Deed or the rights or powers of Beneficiary or Trustee, and (c) pay, purchase, contest or compromise any Lien or Right of Others which in the reasonable judgment of either is or appears to be or may for any reason become prior or superior to this Trust Deed. If Beneficiary or Trustee shall elect to pay any such Lien or Right of Others or any Taxes which are or may become a Lien affecting any part of the Trust Estate or make any other payments to protect the security of this Trust Deed, Beneficiary or Trustee may do so without inquiring into the validity or enforceability of any apparent or threatened Lien, Right of Others or Taxes, and may pay any such Taxes in reliance on information from the appropriate taxing authority or public office without further inquiry.

3.07 Obligations With Respect to Trust Estate. Neither Beneficiary nor Trustee shall be under any obligation to preserve, maintain or protect the Trust Estate or any of Trustor's rights or interests in the Trust Estate, or make or give any presentments, demands for performance, protests, notices of nonperformance, protest or dishonor or other notices of any kind in connection with any Rights, or take any other action with respect to any other matters relating to the Trust Estate. Beneficiary and Trustee do not assume and shall have no liability for, and shall not be obligated to perform, any of Trustor's obligations with respect to any Rights or any other matters relating to the Trust Estate, and nothing contained in this Trust Deed shall release Trustor from any such obligations.

3.08 Assignment of Rents. Trustor absolutely, unconditionally and irrevocably grants, transfers and assigns to Beneficiary, during the continuance of this Trust Deed, all of Trustor's right, title and interest in and to the Rents. Notwithstanding such assignment, so long as no Event of Default has occurred and is continuing, Trustor shall have the right to collect, receive, hold and

dispose of the Rents as the same become due and payable, provided that unless Beneficiary otherwise consents in writing: (a) any such Rents paid more than 30 days in advance of the date when due shall be delivered to Beneficiary and held by Beneficiary in a Cash Collateral Account, to be released and applied on the date when due (or, if an Event of Default has occurred and is continuing, at such other time or times and in such manner as Beneficiary may determine), and (b) if an Event of Default has occurred and is continuing, Trustor's right to collect and receive the Rents shall cease and Beneficiary shall have the sole right, with or without taking possession of the Real Property, to collect all Rents, including those past due and unpaid. Any such collection of Rents by Beneficiary shall not cure or waive any Event of Default or notice of default or invalidate any act done pursuant to such notice. Failure or discontinuance of Beneficiary at any time, or from time to time, to collect the Rents shall not in any manner affect the subsequent enforcement by Beneficiary of the right to collect the same. Nothing contained in this Trust Deed, nor the exercise of the right by Beneficiary to collect the Rents, shall be deemed to make Beneficiary a "mortgagee in possession" or shall be, or be construed to be, an affirmation by Beneficiary of, or an assumption of liability by Beneficiary under, or a subordination of the Lien of this Trust Deed to, any tenancy, lease or option.

3.09 **Default.** Upon the occurrence of any Event of Default: (a) Trustor shall be in default under this Trust Deed, and upon acceleration of the maturity of any Secured Obligations in accordance with the terms of the Agreement, all Secured Obligations shall immediately become due and payable without further notice to Trustor; (b) upon demand by Beneficiary, CSI shall pay to Beneficiary, in addition to all other payments specifically required under the Loan Documents, in monthly installments, at the times and in the amounts required by Beneficiary from time to time, sums which when cumulated will be sufficient to pay one month prior to the time the same become delinquent, all Taxes which are or may become a Lien affecting the Trust Estate and the premiums for any policies of insurance to be obtained under the Agreement (all such payments to be held in a Cash Collateral Account as additional security for the Secured Obligations); and (c) Beneficiary may, without notice to or demand upon Trustor, which are expressly waived by Trustor (except for notices or demands otherwise required by applicable Laws to the extent not effectively waived by Trustor and any notices or demands specified below), and without releasing Trustor from any of its Obligations, exercise any one or more of the following Remedies as Beneficiary may determine:

(A) Beneficiary may, either directly or through an agent or court-appointed receiver, and without regard to the adequacy of any security for the Secured Obligations:

(i) enter, take possession of, manage, operate, protect, preserve and maintain, and exercise any other rights of an owner of, the Trust Estate, and use any other properties or facilities of Trustor relating to the Trust Estate, all without payment of rent or other compensation to Trustor;

(ii) enter into such contracts and take such other action as Beneficiary deems appropriate to complete all or any part of the Project or any other construction on the Land, subject to such modifications and other changes in the Project or the plan of development as Beneficiary may deem appropriate;

(iii) make, cancel, enforce or modify leases, obtain and evict tenants, fix or modify rents and, in its own name or in the name of Trustor, otherwise conduct any business of Trustor in relation to the Trust Estate and deal with Trustor's creditors, debtors, tenants, agents and employees and any other Persons having any relationship with Trustor

in relation to the Trust Estate, and amend any contracts between them, in any manner Beneficiary may determine;

(iv) either with or without taking possession of the Trust Estate, notify obligors on any Rights that all payments and other performance are to be made and rendered directly and exclusively to Beneficiary, and in its own name supplement, modify, amend, renew, extend, accelerate, accept partial payments or performance on, make allowances and adjustments and issue credits with respect to, give approvals, waivers and consents under, release, settle, compromise, compound, sue for, collect or otherwise liquidate, enforce or deal with any Rights, including collection of amounts past due and unpaid (Trustor agreeing not to take any such action after the occurrence of an Event of Default without prior written authorization from Beneficiary);

(v) endorse, in the name of Trustor, all checks, drafts and other evidences of payment relating to the Trust Estate, and receive, open and dispose of all mail addressed to Trustor and notify the postal authorities to change the address for delivery of such mail to such address as Beneficiary may designate; and

(vi) take such other reasonable action as Beneficiary reasonably deems appropriate to protect the security of this Trust Deed.

(B) Beneficiary may execute and deliver to Trustee written declaration of default and demand for sale and written notice of default and of election to cause all or any part of the Trust Estate to be sold, which notice Trustee shall cause to be filed for record; and after the lapse of such time as may then be required by law following the recordation of such notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell such property at the time and place fixed by it in such notice of sale, either as a whole or in separate parcels and in such order as Beneficiary may direct (Trustor waiving any right to direct the order of sale), at public auction to the highest bidder for cash in lawful money of the United States (or cash equivalents acceptable to Trustee to the extent permitted by applicable law), payable at the time of sale. Trustee may postpone the sale of all or any part of the Trust Estate by public announcement at such time and place of sale, and from time to time after any such postponement may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to the purchaser at such sale its deed conveying the property so sold, but without any covenant or warranty, express or implied, and the recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustee or Beneficiary, may purchase at such sale, and any bid by Beneficiary may be, in whole or in part, in the form of cancellation of all or any part of the Secured Obligations. Any such sale shall be free and clear of any interest of Trustor and any lease, encumbrance or other matter affecting the property so sold which is subject or subordinate to this Trust Deed, except that any such sale shall not result in the termination of any such lease (A) if and to the extent otherwise provided in any estoppel or other agreement executed by the tenant and Beneficiary (or executed by the tenant in favor of, and accepted by, Beneficiary), or (B) if the purchaser at such sale gives written notice to the tenant, within 30 days after date of sale, that the lease will continue in effect.

(C) With respect to any Personal Property, Beneficiary shall have in any jurisdiction where enforcement of this Trust Deed is sought all Remedies of a secured party under the UCC and may require Trustor, on demand, to assemble all Personal Property and make it

available to Beneficiary at places that Beneficiary may select that are reasonably convenient for both parties, whether at the premises of Trustor or elsewhere.

(D) Beneficiary may proceed to protect, exercise and enforce any and all other Remedies provided under the Loan Documents or by applicable Laws.

Except as otherwise required by applicable law, all proceeds of collection, sale or other liquidation of the Trust Estate shall be applied first to all costs, fees, expenses and other amounts (including interest) payable by Trustor under § 3.10 of this Trust Deed and to all other Secured Obligations not otherwise repaid in such order and manner as Beneficiary may determine, and the remainder, if any, to the person or persons legally entitled thereto.

Without limitation on any other provision of this Trust Deed, no Person who acquires any interest in the Trust Estate under a sale thereof pursuant to this § 3.09 shall be deemed, as a result of such acquisition, to have assumed any of Trustor's obligations with respect to any Rights or any other matters relating to the Trust Estate, except to the extent that such obligations are expressly assumed by such Person in writing.

Each of the Remedies provided in this Trust Deed is cumulative and not exclusive of, and shall not prejudice, any other Remedy provided in this Trust Deed or by applicable Laws or under any other Loan Document. Each Remedy may be exercised from time to time as often as deemed necessary by Trustee and Beneficiary, and in such order and manner as Beneficiary may determine. This Trust Deed is independent of any other security for the Secured Obligations, and upon the occurrence of an Event of Default, Trustee or Beneficiary may proceed in the enforcement of this Trust Deed independently of any other Remedy that Trustee or Beneficiary may at any time hold with respect to the Trust Estate or the Secured Obligations or any other security. Trustor, for itself and for any other person claiming by or through Trustor, waives, to the fullest extent permitted by applicable Laws, all rights to require a marshalling of assets by Trustee or Beneficiary or to require Trustee or Beneficiary to first resort to any particular portion of the Trust Estate or any other security (whether such portion shall have been retained or conveyed by Trustor) before resorting to any other portion, and all rights of redemption, stay and appraisal.

3.10 Costs, Fees and Expenses. Trustor shall pay, on demand, all costs, fees, expenses, advances, charges, losses and liabilities of Trustee and Beneficiary under or in connection with this Trust Deed or the enforcement of, or the exercise of any Remedy or any other action taken by Trustee or Beneficiary under, this Trust Deed or the collection of the Secured Obligations, in each case including (a) reconveyance and foreclosure fees of Trustee, (b) costs and expenses of Beneficiary or Trustee or any receiver appointed under this Trust Deed in connection with the operation, maintenance, management, protection, preservation, collection, sale or other liquidation of the Trust Estate or foreclosure of this Trust Deed, (c) advances made by Beneficiary to complete or partially construct all or any part of the Project or any other construction on the Land or otherwise to protect the security of this Trust Deed, (d) cost of evidence of title, and (e) the reasonable fees and disbursements of Trustee's and Beneficiary's legal counsel and other out-of-pocket expenses, and the reasonable charges of Beneficiary's internal legal counsel; together with interest on all such amounts until paid (i) at the Alternate Rate in the case of any such interest payable to Beneficiary, and (ii) at the rate provided by law in the case of any such interest payable to Trustee.

3.11 Late Payments. By accepting payment of any part of the Secured Obligations after its due date, Beneficiary does not waive its right either to require prompt payment when due of all other Secured Obligations or to declare a default for failure to so pay.

3.12 Action by Trustee. At any time and from time to time upon written request of Beneficiary and presentation of this Trust Deed for endorsement, and without affecting the personal liability of any Person for payment of the Secured Obligations or the security of this Trust Deed for the full amount of the Secured Obligations on all property remaining subject to this Trust Deed, Trustee may, without notice and without liability for such action, and notwithstanding the absence of any payment on the Secured Obligations or any other consideration: (a) reconvey all or any part of the Trust Estate, (b) consent to the making and recording, or either, of any map or plat of the Land, (c) join in granting any easement affecting the Land, or (d) join in or consent to any extension agreement or any agreement subordinating the Lien of this Trust Deed. Trustee is not obligated to notify Trustor or Beneficiary of any pending sale under any other deed of trust or of any action or other proceeding in which Trustor, Beneficiary or Trustee is a party unless brought by Trustee.

3.13 Reconveyance. Upon written request of Beneficiary and surrender of this Trust Deed and the Note to Trustee for cancellation or endorsement, and upon payment of its fees and charges, Trustee shall reconvey, without warranty, all or any part of the property then subject to this Trust Deed. Any reconveyance, whether full or partial, may be made in terms to "the person or persons legally entitled thereto," and the recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. Except as otherwise provided in the Agreement (which may require partial releases under certain circumstances), Beneficiary shall not be required to cause any property to be released from this Trust Deed until final payment and performance in full of all Secured Obligations and termination of all obligations of Beneficiary under or in connection with the Agreement.

3.14 Substitution of Trustee. Beneficiary may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named in or acting under this Trust Deed, which instrument, when executed by Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where the Land is situated, shall be conclusive proof of proper substitution of such successor Trustee or Trustees who shall, without conveyance from the predecessor Trustee, succeed to all of its title, estate, rights, powers and duties. Such instrument must contain the name of the original Trustor, Trustee and Beneficiary, the book and page where this Trust Deed is recorded (or the date of recording and instrument number) and the name and address of the new Trustee.

3.15 Attorney-in-Fact. Trustor appoints Beneficiary as Trustor's attorney-in-fact, with full authority in the place of Trustor and in the name of Trustor or Beneficiary, to take such action and execute such Documents as Beneficiary may reasonably deem necessary or advisable in connection with the exercise of any Remedies by Beneficiary or Trustee under this Trust Deed.

3.16 Successors and Assigns. This Trust Deed applies to and shall be binding on and inure to the benefit of all parties to this Trust Deed and their respective successors and assigns.

3.17 Acceptance. Notice of acceptance of this Trust Deed by Beneficiary or Trustee is waived by Trustor. Trustee accepts this Trust Deed when this Trust Deed, duly executed and acknowledged, is made a public record as provided by law.

3.18 Beneficiary's Statements. For any statement regarding the Secured Obligations, Beneficiary may charge the maximum amount permitted by law at the time of the request for such statement.

3.19 Fixture Filing. This Trust Deed covers certain Goods which are or are to become fixtures related to the Land and constitutes a "fixture filing" with respect to such Goods executed by Trustor (as "debtor") in favor of Beneficiary (as "secured party").

3.20 Governing Law. This Trust Deed shall be governed by, and construed and enforced in accordance with, the Laws of Nevada.

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

3.22 Leasehold Trust Deed Provisions.

(A) Trustor hereby warrants and represents as follows with respect to the Lease:

(i) The Lease is in full force and effect, unmodified by any writing or otherwise, except as has been specifically disclosed to Beneficiary;

(ii) All rent, additional rent, and other charges reserved in the Lease have been paid to the extent they are payable as of the date hereof;

(iii) Trustor enjoys the quiet and peaceful possession of the leasehold portion of the Land (the "Leasehold Land") pursuant to the terms of the Lease;

(iv) Trustor is not in default under any of the terms of the Lease, and, to the best of Trustor's knowledge, there are no circumstances which, with the passage of time or the giving of notice or both, would constitute an event of default under the Lease; and

(v) To the best of Trustor's knowledge the lessor under the Lease (the "Lessor") is not in default under any of the terms or provisions thereof on the part of the Lessor to be observed or performed.

(B) Trustor further covenants and agrees as follows:

(i) Trustor shall promptly and faithfully observe, perform, and comply with all the terms, covenants, and provisions of the Lease on Trustor's part to be observed, performed, and complied with, at the times set forth in the Lease, without any allowance for grace periods, if any;

(ii) Trustor shall not do, permit, suffer, or refrain from doing anything as a result of which there could be a default under or breach of any of the terms of the Lease;

(iii) Except for renewals, extensions and rent re-determinations pursuant to the terms of the Lease, Trustor shall not cancel, surrender, modify, amend, or in any way alter or permit the alteration of any of the terms of the Lease without the prior written consent of Beneficiary, which consent shall not be unreasonably withheld or delayed;

(iv) Trustor shall give Beneficiary immediate notice of any default by any party to the Lease and promptly deliver to Beneficiary a copy of each notice of default received by Trustor in connection with the Lease;

(v) Trustor shall furnish to Beneficiary copies of such information and evidence as Beneficiary may reasonably require concerning Trustor's due observance, performance, and compliance with the terms, covenants and provisions of the Lease; and

(vi) Any material default by Trustor under the Lease shall constitute a default hereunder.

(C) Trustor agrees that the fee title and the leasehold estate in the Leasehold Land under the Lease shall not merge but shall always be kept separate and distinct, notwithstanding the union of said estates in either the Lessor thereunder, Trustor, or a third party, whether by purchase or otherwise. If Trustor acquires the fee title or any other estate, title, or interest in the Leasehold Land, or any part thereof, the lien of this Trust Deed shall attach to, encumber, and be a lien upon such acquired estate, title, or interest, with the same force and effect as if specifically encumbered herein. Trustor agrees to execute all instruments and documents which Beneficiary may reasonably require to ratify, confirm, and further evidence Beneficiary's lien on the acquired estate, title, or interest. Furthermore, Trustor hereby appoints Beneficiary its true and lawful attorney-in-fact to execute and deliver all such instruments and documents in the name and on behalf of Trustor. This power, being coupled with an interest, shall be irrevocable as long as the indebtedness secured hereby remains unpaid.

(D) If the Lease is cancelled or terminated, and if Beneficiary or its nominee shall acquire an interest in any new lease of the Leasehold Land, Trustor shall have no right, title, or interest in or to the new lease or the leasehold estate created by such new lease.

(E) Trustor shall use its best efforts to obtain and deliver to Beneficiary within twenty (20) days after written demand by Beneficiary, an estoppel certificate from the Lessor under the Lease setting forth: (i) the name of the Lessor thereunder; (ii) that the Lease has not been modified or, if it has been modified, the date of each modification (together with copies of each such modification); (iii) the basic rent payable under the Lease; (iv) the date to which all rental charges have been paid by the tenant under the Lease; (v) whether, to Lessor's knowledge, there are any alleged defaults, or existing conditions that, with or without notice or after lapse of time could constitute an alleged default, of the tenant under the Lease and, if there are, setting forth the nature thereof in reasonable detail; and (vi) agreeing to furnish Beneficiary with written notice of any default by Trustor thereunder.

(F) Notwithstanding any provision to the contrary or apparently to the contrary contained in this Trust Deed, Beneficiary shall have no liability or obligation under the Lease by reason of its acceptance of this Trust Deed. Beneficiary shall be liable for the obligations of the tenant arising under the Lease for only that period of time which Beneficiary is in possession of the Leasehold Land, or has acquired, by foreclosure or otherwise, and is holding all of Trustor's right, title, and interest therein.

(G) Trustor further covenants and agrees as follows:

(i) If there shall be filed by or against Trustor a petition under the Bankruptcy Code (11 U.S.C. § 101 et seq.), and Trustor, as lessee under the Lease, shall determine to reject the Lease pursuant to the Bankruptcy Code, Trustor shall give Beneficiary not less than ten (10) days' prior notice of the date on which Trustor shall apply to the Bankruptcy Court for authority to reject the Lease. Beneficiary shall have the right, but not the obligation, to serve upon Trustor within such ten-day period a notice stating that: (1) Beneficiary demands that Trustor assume and assign the Lease to Beneficiary pursuant to Section 365 of the Bankruptcy Code; and (2) Beneficiary covenants to cure or provide adequate assurance of prompt cure of all defaults and provide adequate assurance of future performance under the Lease. If Beneficiary serves upon Trustor the notice described in the preceding sentence, Trustor shall not seek the rejection of the Lease and shall comply with the demand provided for in clause (1) within thirty (30) days after the notice shall have been given, subject to the performance by Beneficiary of the covenant provided for in clause (2); and

(ii) Effective upon the entry of an order for relief in respect of Trustor under the Bankruptcy Code, Trustor hereby assigns and transfers to Beneficiary a non-exclusive right to apply to the Bankruptcy Court for an order extending the period during which the Lease may be rejected or assumed.

3.23 Non-Borrower Trustor Provisions.

(A) Harrich is not the maker of the Note nor the obligor under any of the Loan Documents. Harrich is executing this Trust Deed for the sole purpose of encumbering its interest in the Real Property as and upon the terms and provisions above provided in this Trust Deed, and Harrich shall not be liable whatsoever for the payment or performance of any obligation of CSI pursuant to the other Loan Documents except as otherwise specifically provided therein. However, in executing and delivering this Trust Deed to Beneficiary, Harrich expressly represents, acknowledges and agrees as follows:

(i) That (a) this Trust Deed is executed at CSI's request, and Harrich has received adequate consideration therefor; (b) this Trust Deed complies with any and all agreements between Harrich and CSI regarding Harrich's execution hereof; (c) Beneficiary has made no representation to Harrich as to the creditworthiness of CSI; and (d) Harrich has established adequate means of obtaining, and will obtain from CSI on a continuing basis, financial and other information pertaining to CSI's financial condition and any facts or circumstances that might in any way affect CSI's obligations under this Trust Deed, and Beneficiary shall have no obligation to disclose to Harrich any information or furnish any material acquired in the course of the Beneficiary's relationship with CSI.

(ii) To the extent permitted by applicable law, Harrich waives any defense arising by reason of (a) any disability or other defense of CSI or any other person; (b) the cessation from any cause whatsoever, other than payment in full of the Secured Obligations; (c) the application by CSI of the proceeds of any Secured Obligations for purposes other than the purposes represented by CSI to Beneficiary or intended or understood by Beneficiary or Harrich; (d) any act or omission by Beneficiary which directly or indirectly results in or aids the discharge or release of CSI, any other person, any Secured Obligations, or any of the

Trust Estate by operation of law or otherwise; or (e) any modification of any Secured Obligations in any form whatsoever, including without limitation the renewal, extension, compromise, acceleration or other change in time for payment or terms of such obligations, increase or decrease of the rate of interest thereon, or other change in the terms of such obligations or any part thereof, and Harrich agrees to execute such amendments to this Trust Deed as Beneficiary may reasonably require to reflect that this Trust Deed secures the Secured Obligations as so modified.

3.24 Duplicate Originals/Concurrent Recording. This Trust Deed is being executed in duplicate originals for the purpose of permitting concurrent recordings in the Offices of the County Recorders of Clark County and Lincoln County, Nevada.

COYOTE SPRINGS INVESTMENT LLC, a Nevada limited-liability company

By: 
Gary S. Derck
Manager

HARRICH INVESTMENTS, LLC, a Nevada limited-liability company

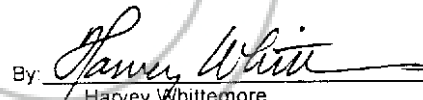
By: 
Harvey Whittemore
Manager

Exhibit "A-1"
to Trust Deed

**LEGAL DESCRIPTION OF LAND
(Fee Simple)**

Mount Diablo Meridian, Nevada, fee title in and to the following:

Township 11 South, Range 63 East, (Lincoln County, Nevada)

Section 13, South Half (S 1/2);

Section 20, all;

Section 21, all;

Section 22, all;

Section 23, all;

Section 24, all;

Section 25, all;

Section 26, all;

Section 27, all;

Section 28, all;

Section 29, all;

Section 32, all;

Section 33, all;

Section 34, all;

Section 35, all;

Section 36, West Half (W 1/2).

That portion of Sections 19, 30 and 31 lying Easterly of the Westerly boundary of the transmission corridor, that boundary being 1/2 mile Easterly of the Centerline of U.S. Highway 93.

Township 12 South, Range 63 East, (Lincoln County, Nevada)

Section 1, Lots Three (3), Four (4), South Half of the Northwest Quarter (NW 1/4) and the Southwest Quarter (SW 1/4); Section 2, Lots One (1) thru Four (4), South Half (S 1/2) of the North Half (N 1/2) and the South Half (S 1/2); Section 3, Lots One (1) thru Four (4), South Half (S 1/2) of the North Half (N 1/2) and the South Half (S 1/2);

Section 6, that portion lying between the Centerline of U.S. Highway 93 and the Western boundary of the transmission corridor, that boundary being 1/2 mile easterly of the Centerline of U.S. Highway 93, excluding that portion of the North Half (N 1/2) of the North Half (N 1/2) lying between the Centerline of U.S. Highway 93 and the western boundary of the transmission corridor; and that portion lying Easterly of the western boundary of the transmission corridor, that boundary being 1/2 mile Easterly of the Centerline of U.S. Highway 93;

Sections 7, 18, 19, 29, 30, 32 all lying Easterly of the Centerline of U.S. Highway 93;

Sections 5, 9, 16, 21, 28, 33, that portion lying Westerly of the eastern boundary of the transmission corridor, that boundary being 1 1/2 miles from the Centerline of U.S. Highway 93.

Section 8, all;

Section 10, all;

Section 11, all;

Section 12, West Half (W 1/2) of the West Half (W 1/2);

Section 13, West Half (W 1/2);
Section 14, all;
Section 17, all;
Section 20, all;
Section 23, North Half (N 1/2) and the Southeast Quarter (SE 1/4);
Section 24, West Half (W 1/2);
Section 25, all;
Section 26, East Half (E 1/2);
Section 36, all;

Township 12 South, Range 64 East, (Clark County, Nevada)

Section 31, the West Half (W 1/2) of the Southwest Quarter (SW 1/4).

Township 13 South, Range 63 East, (Clark County, Nevada)

Section 1, Lot One (1); the East Half (E 1/2) of Lot Two (2); the East Half (E 1/2) of the Southwest Quarter (SW 1/4) of the Northeast Quarter (NE 1/4), Southeast Quarter (SE 1/4) of the Northeast Quarter (NE 1/4), East Half (E 1/2) of the West Half (W 1/2) of the Southeast Quarter (SE 1/4), East Half (E 1/2) of the Southeast Quarter (SE 1/4);

Section 9, all;
Section 16, all;

Sections 3, 10, 15, that portion lying westerly of the eastern boundary of the transmission corridor, that boundary being 1 1/2 miles from the centerline of U.S. Highway 93.

Section 22, that portion lying Westerly of the Eastern boundary of the transmission corridor, that boundary being 1 1/2 miles from the centerline of U.S. Highway 93; and that portion lying Northerly to a boundary 1/2 mile from the centerline of State Highway 168;

Sections 23 and 24, that portion lying Northerly to a boundary 1/2 mile from the Centerline of State Highway 168.

That portion of Sections 3 and 4 lying Westerly of the Easterly boundary of the transmission corridor, that boundary being 1 1/2 miles Easterly of the Centerline of U.S. Highway 93.

That portion of Section 21 lying Easterly of U.S. Highway 93 and North of State Highway 168.

That portion of Sections 25 and 26, lying Northerly of State Highway 168.

That portion of Sections 5, 8, 17 and 20 lying Easterly of U.S. Highway 93, and Northerly of the Centerline of State Highway No. 168.

Township 13 South, Range 64 East, (Clark County, Nevada)

Section 6, the West Half (W 1/2);

3

Section 7, the West Half (W 1/2) and the West Half (W 1/2) of the Southeast Quarter (SE 1/4);

Section 18, all

Section 19, all

Section 30, that portion lying Northerly of the Centerline of State Highway No. 168.

Exhibit "A-2"
to Trust Deed

LEGAL DESCRIPTION OF LAND
(Leasehold)

Mount Diablo Meridian, Nevada, Township 11 South, Range 63 East, (Lincoln County, Nevada).

Sections 19, 30 and 31, that portion lying Easterly of the Centerline of U.S. Highway 93 and the Western Boundary of the transmission corridor, that boundary being 1/2 mile Easterly from the Centerline of U.S. Highway 93.

Mount Diablo Meridian, Nevada, Township 12 South, Range 63, (Lincoln County Nevada).

Section 4, all Sections 5, 9, 16, 21, 28, 33, that portion lying Easterly of the eastern boundary of the transmission corridor.

The North Half (N 1/2) of the North Half (N 1/2) of Section 6 lying Easterly of the Centerline of U.S. 93 and Westerly of the Westerly boundary of the transmission corridor, that boundary being 1/2 mile Easterly of the Centerline of U.S. Highway 93.

- Section 15, all;
- Section 22, all;
- Section 23, Southwest Quarter (SW 1/4);
- Section 26, West Half (W 1/2);
- Section 27, all;
- Section 34, all;
- Section 35, all.

Township 13 South, Range 63 East, (Clark County, Nevada).

Section 1, West Half (W 1/2) of the West Half (W 1/2) of the East Half (E 1/2) and the West Half (W 1/2);

- Section 2, all;
- Sections 3, 4, 10 and 15, that portion lying Easterly of the eastern boundary of the transmission corridor, that boundary being 1 1/2 miles from the Centerline of U.S. Highway 93;
- Section 11, all;
- Section 12, all;
- Section 13, all;
- Section 14, all;

Section 22, that portion lying Northerly of a boundary 1/2 mile from the Centerline of State Highway 168 and Easterly of the eastern boundary of the transmission corridor, that boundary being 1 1/2 miles easterly of the Centerline of U.S. Highway 93;

Sections 23 and 24, that portion lying Northerly of a boundary 1/2 mile from the Centerline of State Highway 168.

Loan No. TCL 10428

"EXHIBIT "B"
to Trust Deed

WATER RIGHTS*

- A. The applications for permits to appropriate water and all rights of the grantor associated with the applications, together with all amendments and modifications thereto, to be transferred to Borrower by Water Rights Deed wherein Aerojet-General Corporation, an Ohio corporation, is the grantor, and Borrower is the grantee, a copy of which Water Rights Deed is attached hereto as Exhibit "B-1";
 - B. The water rights appropriated under the permits and any base rights to which those permits relate, to be transferred to Borrower by Water Rights Deed wherein Aerojet Nevada, a Division of Aerojet-General Corporation, an Ohio corporation, is grantor, and Borrower is grantee, a copy of which Water Rights Deed is attached hereto as Exhibit "B-2";
 - C. The right to take and appropriate 5.0 cfs, but not to exceed 2,500.0 acre-feet annually, under Permit No. 46777 which is on file in the Office of the State of Engineer, Division of Water Resources, Department of Conservations and Natural Resources, State of Nevada, to be transferred to Borrower by Water Rights Deed ("A" Rights Deed) wherein Nevada Power Company, a Nevada corporation, is grantor, and Borrower is grantee, a copy of which is attached hereto as Exhibit "B-3"; and
 - D. The balance of the rights under Permit No. 46777 that were reserved to Nevada Power Company, a Nevada corporation, under that certain Water Rights Deed ("A" Rights Deed) described in C above, including, without limitation, the right to take and appropriate 5.0 cfs, but not to exceed 2,500.0 acre-feet annually, under Permit No. 46777 which is on file in the Office of the State Engineer, Division of Water Resources, Department of Conservation and Natural Resources, State of Nevada, to be transferred to Borrower by Water Rights Deed wherein Nevada Power Company, a Nevada corporation, is grantor, and Borrower is grantee, a copy of which is attached hereto as Exhibit "B-4".
- * Subject to the rights of Southern Nevada Water Authority and Nevada Power Company to purchase water rights and/or the right to purchase water pumped pursuant to such Water Rights under the terms of the agreements described in Exhibit "C" to this Trust Deed.

Exhibit A

Water Right Applications

Applications:

- Application No. 63272; 10.0 cfs, not to exceed 7,239.0 acre-feet annually ("afa")
- Application No. 63273; 10.0 cfs, not to exceed 7,239.0 afa
- Application No. 63274; 10.0 cfs, not to exceed 7,239.0 afa
- Application No. 63275; 10.0 cfs, not to exceed 7,239.0 afa
- Application No. 63276; 10.0 cfs, not to exceed 7,239.0 afa
- Application No. 63867; 10.0 cfs, not to exceed 7,239.0 afa
- Application No. 63868; 10.0 cfs, not to exceed 7,239.0 afa
- Application No. 63869; 10.0 cfs, not to exceed 7,239.0 afa
- Application No. 63870; 10.0 cfs, not to exceed 7,239.0 afa
- Application No. 63871; 10.0 cfs, not to exceed 7,239.0 afa
- Application No. 63872; 10.0 cfs, not to exceed 7,239.0 afa
- Application No. 63873; 10.0 cfs, not to exceed 7,239.0 afa
- Application No. 63874; 10.0 cfs, not to exceed 7,239.0 afa
- Application No. 63875; 10.0 cfs, not to exceed 7,239.0 afa
- Application No. 63876; 10.0 cfs, not to exceed 7,239.0 afa

The real property to which said water applications and permits are appurtenant consist of portions of T13S, R63E and T13S, R64E, M.D.M., Clark County, Nevada, and portions of T12S, R63E, T11S, R63E and T12S, R64E, M.D.M., Lincoln County, Nevada, all as more particularly described in said permits.

Said Water Rights are appurtenant to portions of APNs:

- Lincoln County APNs 8-201-09
- 8-201-04
- 8-201-05
- 8-221-02
- 8-201-06
- 8-201-08

- Clark County APNs 570-180-037
- 570-180-038
- 570-180-039
- 570-190-041
- 570-190-042
- 650-010-003
- 650-020-003

Notary Public

Exhibit A

Water Rights

Permits:

- Permit No. 49660: 0.138 cfs. not to exceed 100.0 afa
- Permit No. 49661: 0.138 cfs. not to exceed 100.0 afa
- Permit No. 49662: 0.138 cfs. not to exceed 100.0 afa
- Permit No. 49978: 2.0 cfs. not to exceed 1,447.93 afa
- Permit No. 49979: 2.0 cfs. not to exceed 1,447.93 afa
- Permit No. 49980: 2.0 cfs. not to exceed 1,447.93 afa
- Permit No. 49981: 2.0 cfs. not to exceed 1,447.93 afa
- Permit No. 49982: 2.0 cfs. not to exceed 1,447.93 afa
- Permit No. 49983: 2.0 cfs. not to exceed 1,447.93 afa
- Permit No. 49984: 2.0 cfs. not to exceed 1,447.93 afa - (excepting a portion thereof equal to 0.414 cfs,
- Permit No. 49985: 2.0 cfs. not to exceed 1,447.93 afa not to exceed 300.0 acre feet annually)
- Permit No. 49986: 2.0 cfs. not to exceed 1,447.93 afa
- Permit No. 49987: 2.0 cfs. not to exceed 1,447.93 afa

The real property to which the water appropriated under said permits are appurtenant consist of portions of T13S, R63E and T13S, R64E, M.D.M., Clark County, Nevada, and portions of T12S, R63E, T11S, R63E and T12S, R64E, M.D.M., Lincoln County, Nevada, all as more particularly described in said permits

Said Water Rights are appurtenant to portions of APNs.

Lincoln County APNs: 8-201-09
 8-201-04
 8-201-05
 8-221-02
 8-201-06
 8-201-08

Clark County APNs: 570-180-037
 570-180-038
 570-180-039
 570-190-041
 570-190-042
 650-010-003
 650-020-003

RECORDING REQUESTED BY:
AND WHEN RECORDED RETURN TO:

Exhibit "B-3"

STEWART TITLE COMPANY
3800 Howard Hughes Pkwy, Suite 500
Las Vegas, Nevada 89109-0913
Attention: Linda J. Jones, Vice President

WATER RIGHTS DEED

"A" Rights Deed

Nevada Power Company, a Nevada corporation, whose address is 8226 West Sahara Avenue, P.O. Box 230, M.S. 2, Las Vegas, Nevada 89151-1230 ("Grantor"), for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby grant, bargain, sell and convey to Coyote Springs Investment LLC, a Nevada limited liability company, whose address is c/o Gary Derck, 7755 Spanish Springs Road, Sparks, Nevada 89436 ("Grantee"), the right to take and appropriate 5.0 cfs, but not to exceed 2,500.0 acre-feet annually, under unperfected Permit No. 46777 which is on file in the Office of the State Engineer, Division of Water Resources, Department of Conservation and Natural Resources, State of Nevada, a copy of which is attached hereto as Exhibit A and incorporated herein (the "Permit"), said water rights being appurtenant to and benefitting the land described therein, together with all subsequent permits which may be issued by the State Engineer solely evidencing Grantee's rights set forth above.

The grant of water rights set forth in this Water Rights Deed specifically does not include any right to the balance in excess of 5.0 cfs or 2,500.0 acre-feet annually arising under the Permit, all right, title, and interest to all such excess shall remain in and is hereby reserved unto Grantor. Said reserved rights shall have rights junior to the rights conveyed to Grantee herein.

This conveyance is made expressly subject to: (1) all terms and conditions set forth in the Permit; (2) all terms and conditions set forth in that certain Ruling #4542 issued by the State Engineer on June 19, 1997, including, without limitation, the comprehensive monitoring and reporting requirements set forth therein, and (3) the covenant and agreement of Grantee to the use restriction that all water rights conveyed by this deed shall be developed and used exclusively within the Coyote Springs Valley groundwater basin ("Use Restriction").

IN WITNESS WHEREOF, the Grantor has caused this Water Rights Deed to be executed this ____ day of _____, 1998.

GRANTOR

NEVADA POWER COMPANY,
a Nevada corporation

By: _____

Name: _____

Title: _____

CDS/12683-0003
052198/npcdeedA.net

STATE OF NEVADA)
) ss.
COUNTY OF CLARK)

This instrument was acknowledged before me on _____ 1998 by
_____ as _____ of Nevada Power Company, a Nevada
corporation.

Notary Public

CDS/12583-0003
052198/mpcedeeA.rtd

Exhibit A
Permit No. 46777

A portion Said water rights are appurtenant to portions of APNs: 570-190-041

- 540-490-006
- 540-490-012
- 540-500-006
- 540-500-012
- 540-500-017
- 540-500-018
- 660-010-014
- 660-010-007
- 660-020-001
- 660-020-007
- 660-020-013
- 540-270-005
- 540-270-008

COS/12683-0003
052198/mpcdeedA.red

RECORDING REQUESTED BY:
AND WHEN RECORDED RETURN TO:

STEWART TITLE COMPANY
3800 Howard Hughes Pkwy, Suite 500
Las Vegas, Nevada 89109-0913
Attention: Linda J. Jones, Vice President

Exhibit "B-4"

WATER RIGHTS DEED

Nevada Power Company, a Nevada corporation, whose address is 8226 West Sahara Avenue, P.O. Box 230, M.S. 2, Las Vegas, Nevada 89151-1230 ("Grantor"), for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby grant, bargain, sell and convey to Coyote Springs Investment LLC, a Nevada limited liability company, whose address is c/o Gary Derck, 7755 Spanish Springs Road, Sparks, Nevada 89436 ("Grantee"), the balance of the rights reserved to Grantor under that certain Water Rights Deed by Grantor to Grantee designated the "A" Rights Deed, including, without limitation, the right to take and appropriate 5.0 cfs, but not to exceed 2,600.0 acre-feet annually, under Permit No. 46777 which is on file in the Office of the State Engineer, Division of Water Resources, Department of Conservation and Natural Resources, State of Nevada, a copy of which is attached hereto as Exhibit A and incorporated herein (the "Permit"), said water rights being appurtenant to and benefitting the land described therein, together with all subsequent permits which may issued by the State Engineer solely evidencing Grantee's rights set forth above.

This conveyance is made expressly subject to: (1) all terms and conditions set forth in the Permit; (2) all terms and conditions set forth in that certain Ruling #4542 issued by the State Engineer on June 19, 1997, including, without limitation, the comprehensive monitoring and reporting requirements set forth therein; and (3) the right of first refusal granted by Grantee to Grantor in accordance with Exhibit B attached hereto and incorporated herein.

IN WITNESS WHEREOF, the Grantor has caused this Water Rights Deed to be executed this ____ day of _____, 1998.

GRANTOR

NEVADA POWER COMPANY,
a Nevada corporation

By: _____

Name: _____

Title: _____

CDS/12683-0003
052190mpcdeedB.red

STATE OF NEVADA }
COUNTY OF CLARK } ss.

This instrument was acknowledged before me on _____, 1998 by
_____ as _____ of Nevada Power Company, a Nevada
corporation.

Notary Public

CDS/12583-0003
052198/hpccced8.red

Exhibit "B-4" - Page 2 of 3 Pages

300 134 TABE 542

Exhibit A

Permit No. 46777

Said water rights are appurtenant to portions of APNs:

- 570-190-041
- 540-490-006
- 540-490-012
- 540-500-006
- 540-500-012
- 540-500-017
- 540-500-018
- 660-010-014
- 660-010-007
- 660-020-001
- 660-020-007
- 660-020-013
- 540-270-005
- 540-270-006

CDS/12683-0003
052166/np00aedB.red

Exhibit "C"
to Trust Deed

AGREEMENTS

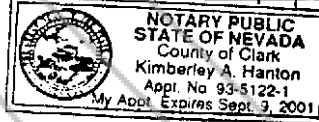
1. Real Estate Purchase, Sale, Assignment and Assumption Agreement dated June 14, 1996, as amended from time to time, executed by Aerojet General Corporation, an Ohio corporation, and Harrich Investments, LLC, a Nevada limited liability company;
2. Agreement of Purchase and Sale and Joint Escrow Instructions dated December 31, 1997, as amended from time to time, executed by Nevada Power Company, a Nevada corporation, and H&D Water Company, LLC, a Nevada limited liability company;
3. Agreement dated May 27, 1998, executed by Coyote Springs Investment LLC, a Nevada limited liability company, and Nevada Power Company, a Nevada corporation; and
4. Agreement for Option, Purchase and Sale of Water Rights, Real Property and Easements dated April 8, 1998, executed by Coyote Springs Investment LLC, a Nevada limited liability company, and Southern Nevada Water Authority, a political subdivision of the State of Nevada.

ACKNOWLEDGMENTS

STATE OF NEVADA)
)ss.
COUNTY OF Clark)

This instrument was acknowledged before me on May 26th, 1998, by Gary S. Derck as Manager of Coyote Springs Investment LLC.

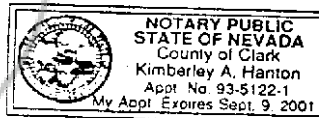
Kimberley A. Hanton
Notary Public
My Commission Expires: 9/9/01



STATE OF NEVADA)
)ss.
COUNTY OF Clark)

This instrument was acknowledged before me on May 26th, 1998, by Harvey Whittemore, as Manager of Harrich Investments, LLC.

Kimberley A. Hanton
Notary Public
My Commission Expires: 9/9/01



111022

FILED AND RECORDED AT REQUEST OF
Stewart Title

May 27, 1998

10 MINUTES IN THE MORNING
a.m. IN BOOK 136 OFFICIAL
RECORD PAGE 515 LINCOLN

JOHN HENRY
James A. Setzer
COUNTY CLERK