

**SECURITY AGREEMENT
ASSIGNMENT OF LEASE(S)**

FOR AND IN CONSIDERATION of the sum of One Dollar (\$1.00) and other valuable consideration, receipt of which is hereby acknowledged, M & D DEVELOPMENT, A California General Partnership, hereinafter called "Assignor", hereby sells, assigns, transfers and sets over unto EVERGREEN FEDERAL SAVINGS AND LOAN ASSOCIATION, an Oregon Corporation, hereinafter called "Assignee", any and all leases now existing or hereinafter entered into and any extensions or renewals thereof, of those certain premises known as UNITED STATES POST OFFICE in the City of CALIENTE County of LINCOLN State of NEVADA, which leased premises are more particularly described in Exhibit "A".

2000-32641

Assignor hereby further assigns, transfers and sets over unto Assignee all of the rents now due and to become due under the terms of said lease(s) and any extensions or renewals thereof, together with the amounts required thereunder to pay taxes and insurance. Assignor agrees that it will not, without securing the prior written consent of Assignee, consent to the assignment or transfer of said lease(s) of the above described premises. Assignor further warrants that it has not previously assigned said lease(s) or pledged or hypothecated any of the rents or amounts to become due thereunder or any interest therein, except to the Assignee.

Assignor has borrowed from Assignee the sum of FIVE HUNDRED NINETY THOUSAND AND NO/100 DOLLARS (\$590,000.00) and has executed and delivered to Assignee its Promissory Note, Mortgage and Loan Agreement dated August 28, 2000 on real property, including the above described premises, to secure the payment of said Note, and this assignment is made to Assignee as additional security in addition to the Mortgage herein referred to. Until such time as there is a default in any of the terms or provisions of the said Promissory Note, Mortgage or Loan Agreement, Assignor shall have the right to continue to collect and receive all rental and all payments as the same become due under the said lease, but in the event of any default in any of the terms and provisions of the said Promissory Note, Mortgage or Loan Agreement, Assignee shall have the immediate right to collect the rental and other payments from that time on and to compel the application of all future rents and other payments accruing on said lease to the liquidation of the amounts then remaining due Assignee on said Promissory Note and Mortgage.

To ensure performance of this Assignment, the Assignor has signed and delivered to the Assignee a Power of Attorney to Receive Rent for Post Office Quarters, attached as Exhibit "B". It is hereby agreed that said Power of Attorney shall not be invoked until such time as there is a default in any of the terms or provisions of the aforementioned Promissory Note, Mortgage or Loan Agreement.

Lincoln County

IN WITNESS WHEREOF, Assignor has caused this Assignment of Lease to be signed on this 28 day of August, 20 00

M & D DEVELOPMENT, A CALIFORNIA GENERAL PARTNERSHIP; BY:

[Signature]
DAVID E. GILMORE

[Signature]
MICHAEL J. PASTERNAK

PERSONALLY GUARANTEED BY:

[Signature]
DAVID E. GILMORE

[Signature]
MICHAEL J. PASTERNAK

STATE OF California
COUNTY OF Shasta

Before me, Marcella J Leigh, a Notary Public for said County and State, personally appeared DAVID E. GILMORE and MICHAEL J. PASTERNAK, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged THEMSELVES to be PARTNERS of M & D DEVELOPMENT, A CALIFORNIA GENERAL PARTNERSHIP, a partnership that executed the within instrument, and known to me to be the person who executed the within instrument on behalf of the partnership therein named, and acknowledged to me that such partnership executed the within instrument pursuant to the provisions of Articles of Organization of said partnership. The above named further acknowledged the foregoing instrument to be THEIR individual, voluntary and personal act and deed.

Before me:

[Signature]
NOTARY PUBLIC

My commission expires: Feb. 14, 2002

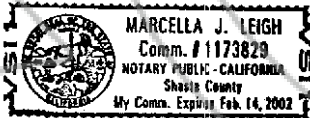


EXHIBIT A

Lots 1, 2 and 3 in Block A of the West End Addition to the City of Caliente, County of Lincoln, State of Nevada.

EXCEPTING THEREFROM all mines of gold, silver, copper, lead, cinnabar and other valuable minerals which may exist in said tract as reserved by the State of Nevada, in deed recorded August 11, 1902, in Book F, Page 185, and July 28, 1903 in Book F, Page 362, Miscellaneous Records, Lincoln County, Nevada.

POWER OF ATTORNEY TO RECEIVE RENT FOR POST OFFICE QUARTERS

WHEREAS the right to receive rent for certain premises occupied by the United States Postal Service in CALIENTE, County of LINCOLN, State of NEVADA is vested in the undersigned and

WHEREAS it is desired to appoint an attorney in fact to receive rents for premises so occupied and to give receipts therefor on behalf of the undersigned.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS THAT M & D DEVELOPMENT, A CALIFORNIA GENERAL PARTNERSHIP has Made, constituted, and appointed, and by these presents make(s), constitutes(s), and appoint(s) EVERGREEN FEDERAL

whose address is 969 SE SIXTH STREET, GRANTS PASS, OREGON 97526

OUR true and lawful attorney for US and in OUR Name and stead to ask, demand, collect, and receive all rents due for the period beginning on the first day of the month thereafter following the date of execution of this instrument and receipt by the Postal Service and for rents which thereafter may be due and owing US From the United States Postal

Service as tenant or occupier of premises located at * FIRST & FRONT ST, CALIENTE NEVADA 89008

And upon receipt thereof to give proper receipts, acquittances, or discharges, hereby ratifying and confirming all that said attorney shall lawfully do by virtue of this instrument

IN TESTIMONY WHEREOF WE have hereunto set OUR Hand(s) and seal(s) this 28th day of August, 20 00

Signed, sealed, and delivered in the presence of

M & D DEVELOPMENT [SEAL] DAVID E GILMORE [SEAL] MICHAEL J PASTERNAK [SEAL]

(Two witnesses are required)

After carefully filling each space, acknowledge execution of this document before a notary public or other official having authority to administer oaths.

STATE OF California)) ss: COUNTY OF Shasta)

Personally appeared before me, a Notary Public in and for the county and state aforesaid, DAVID E GILMORE AND MICHAEL J PASTERNAK known to me to be the same person(s) who executed the foregoing power

of attorney, and who acknowledged that THEY signed, sealed, and delivered the same as THEIR free and voluntary act for the purposes therein mentioned.

Witness my hand and notarial seal, in the county and state aforesaid, this 28th day of August, 20 00



Marcella J. Leigh Notary Public Marcella J. Leigh

*If lessor granting the power of attorney is a corporation, power of attorney should be signed in the name of the corporation by a duly authorized officer thereof.

COPY

NO. 115185

FILED AND RECORDED AT REQUEST OF

FIRST AMERICAN TITLE

SEPTEMBER 7, 2000

AT 22 MINUTES PAST 4 O'CLOCK

PM IN BOOK 150 OF OFFICIAL

RECORDS PAGE 116 LINCOLN

COUNTY, NEVADA

Justie Porucha
COUNTY RECORDER