

APN: 11-120-11
and 11-120-13

DEED OF TRUST, ASSIGNMENT OF RENTS AND REQUEST FOR NOTICE

THIS DEED OF TRUST, dated this 20th day of May, 2001, is by, between and among Hi-Desert Springs, LLC, (Trustor); and Jeffrey J. Whitehead, Ltd. (Trustee); and Noteholders, including Derald Ulmer, Barbara Robinson, Eurlton Robinson, Gordon & Irene Sansaver, Jay Hunison, and Budd & Barbara Vique, (Beneficiary).

WHEREAS Trustor owes Beneficiary in lawful money of the United States of America the sum of Thirty Thousand Dollars (\$30,000.00).

NOW, THEREFORE, for the purpose of securing:

- (1) a promissory note (the Note) dated the same date as the Deed of Trust;
- (2) each agreement of Trustor contained herein including payment of the Note and any extensions or renewals thereof; and
- (3) any money or other consideration with interest thereon that may be advanced by or otherwise become due to the Trustee or Beneficiary under the provisions of the Deed of Trust (the Property);

Trustor irrevocably grants to Trustee in trust with power of sale that property in Lincoln County, Nevada, commonly known as certain undeveloped land and as more particularly described as:

See Attached Exhibit A (the Property).

TOGETHER WITH all appurtenances in which Trustor has any interest, including water rights benefitting the Property whether represented by shares of a company or otherwise; and further

1. ASSIGNMENT OF RENTS, ISSUES AND PROFITS. Trustor assigns to Beneficiary all rents, issues and profits, reserving the right, power and authority during the continuance of these trusts to collect the rents, issues and profits of the Property or of any personal property located thereon without further action by the Beneficiary and with or without taking possession of the Property.

2. TRUSTOR'S COVENANTS.

2.1. Maintain the Property. Trustor shall 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 said property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and 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.

2.2. Pay Trustee's Costs, Fees and Expenses. Trustor shall pay and discharge all costs, fees and expenses of Trustee, 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 by Trustee of Notice of Breach and Election to Sell, as provided herein and by Nevada law.

2.3. **Hazard Insurance.** Trustor shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term (extended coverage,) and such other hazards as Beneficiary may require and such amounts and for such periods as Beneficiary may require; provided, however, that Beneficiary shall not require that the amount of such coverage exceed the amount of coverage required to pay the sum secured by this Deed of Trust.

2.4. **Insurance Policy Proceeds.** The amount collected under any fire insurance policy shall be credited: (1) to accrued interest; (2) next to expenditures hereunder; and (3) any remainder upon the principal, and interest thereon shall 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 Trustor, without liability upon the Trustee for such release.

2.5. **Defend Actions.** If, during the existence of the 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, Trustor shall appear in and defend any such matter purporting to affect the security herein granted and shall pay all costs and damages arising because of such actions.

2.6. **Eminent Domain.** Any award of damages in connection with the condemnation for public use of or injury to the Property or any part thereof is hereby assigned and shall be paid to Beneficiary, who may apply or release such moneys received in the same manner and with the same affect as herein provided for disposition of proceeds of insurance.

2.7. **No Waiver.** Acceptance by Beneficiary of any sum of 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.

2.8. **Reconveyance.** Trustee may, at any time, or from time to time, without liability therefore and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and the Note for endorsement, and without affecting the personal liability of any person for 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 thereon, or join in any extension agreement or subordination agreement in connection herewith.

2.9. **Cancellation of Note.** Upon receipt of a written request from Beneficiary reciting that all sums secured hereby have been paid and upon surrender of this Deed of Trust and the Note to Trustee for cancellation and retention and upon payment of Trustee's fees, Trustee shall reconvey without warranty the Property. The recitals in such reconveyance of any matters of fact shall be conclusive proof of the trust 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 the Note.

2.10. **Default; Sale.**

2.10.1. Should default be made by Trustor in payment of any indebtedness secured hereby or in performance of any agreement herein, 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 for record) and shall surrender to Trustee this Deed of Trust, the Note and all documents evidencing any expenditure secured hereby.

2.10.2. After three (3) 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 Trustee, in its sole discretion, shall deem best to accomplish the objects of these trust, 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, or any part thereof, is situated, or at an office of Trustee located in the State of Nevada.

2.10.3. The grantor, pledger and mortgagor of the personal property herein pledged or mortgaged waives any and all other demands or notices as conditions precedent to sale of such property.

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

2.10.5. 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 of America, 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. Trustor agrees to surrender, immediately and without demand, possession of the Property to such purchaser. Any person, including Trustor, Trustee, or Beneficiary, may purchase at such sale.

2.10.6. Trustee shall apply the proceeds of any such sale to payment of: (1) 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 and including attorneys fees; (2) next, all sums expended under the terms hereof, not then repaid, with accrued interest at the rate of Fifteen percent (15%) per annum; (3) next, all other sums then secured hereby; and (4) the remainder, if any, to the person or persons legally entitled thereto.

2.11. Successor Trustee. The beneficiary or assigns may, at any time, by instrument in writing, appoint a successor or successors to the Trustee named herein or action hereunder, which instrument, executed and acknowledged by Beneficiary and recorded in the Office of the County Recorder of Lincoln County, shall be conclusive proof of the property 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 to such sole Trustee to act.

2.12. Binding Effect. 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.

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

2.14. Construction. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and neuter, the singular includes the plural, and the term Beneficiary shall mean the holder and owner, including pledges, of the Note, whether or not named as a Beneficiary herein, or, if the Note has been pledged, the pledges thereof.

3. NOTICES. All notices required by the terms of this Deed of Trust shall be addressed to Trustor at the address set forth above.

4. **DUE ON SALE.** If all or any part of the Property described above or an interest therein is sold or transferred by Trustor without Beneficiary's consent, Beneficiary may declare all sums secured by this Deed of Trust immediately due and payable.

IN WITNESS WHEREOF, Trustor executes this Deed of Trust.

Derald Ulmer

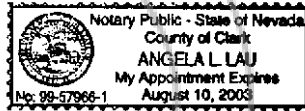
ACKNOWLEDGEMENT

STATE OF Nevada)
) SS.
COUNTY OF Clark)

On MAY 25 01 personally appeared before me, a Notary Public Derald Ulmer, known or proved to me to be the person(s) whose name is(are) subscribed to the above instrument, who acknowledged that he/she/they executed the instrument.

Angela Lau
Notary Public in and for
Said County and State

WHEN RECORDED MAIL TO:
Whitehead Law Offices
Attn: Jeffrey J. Whitehead
1700 W. Horizon Ridge Pkwy., Ste. 201
Henderson, Nevada 89012



FEB-01-94 11:11 FROM:
55220086

ID: 3825334

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EXHIBIT "A"

PARCEL I:

THAT PORTION OF SECTION 1, TOWNSHIP 6 SOUTH, RANGE 60 EAST, M.D.B. & M., DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 1; THENCE SOUTH ALONG THE EAST LINE THEREOF A DISTANCE OF 1210 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING SOUTH A DISTANCE OF 400 FEET TO THE SOUTHEAST CORNER OF THAT CERTAIN PARCEL OF LAND CONVEYED BY J.A. HALL, ET AL. TO ORLANDO E. DIMICK, ET UX, BY DEED DATED AUGUST 22, 1944; THENCE WESTERLY ALONG THE SOUTH LINE OF SAID CONVEYED PARCEL A DISTANCE OF 300 FEET MORE OR LESS TO A POINT ON THE EAST LINE OF U.S. HIGHWAY NO. 93; THENCE NORTHERLY ALONG THE LAST MENTIONED EAST LINE A DISTANCE OF 300 FEET TO A POINT; THENCE NORTHEASTERLY ALONG A STRAIGHT LINE TO THE TRUE POINT OF BEGINNING.

PARCEL II:

REAL PROPERTY DESCRIBED AS LOT ONE (1) COVERED BY A DEED FILED AND RECORDED UNDER THE RECORDING NO. 19253 IN THE LINCOLN COUNTY RECORDER'S OFFICE, PIOCHE, NEVADA, DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT 1.60 FEET SOUTH OF THE NORTHEAST CORNER OF SECTION 1, TOWNSHIP 6 SOUTH, RANGE 60 EAST, M.D.B. & M., AND RUNNING WEST 275 FEET TO THE EAST RIGHT-OF-WAY OF U.S. HIGHWAY 93; THENCE SOUTH ALONG THE HIGHWAY RIGHT-OF-WAY 900 FEET; THENCE EAST TO THE EAST BOUNDARY LINE OF SAID LOT ONE (1); THENCE NORTH 900 FEET TO THE POINT OF BEGINNING.

NO. 116654

FILED AND RECORDED AT REQUEST OF
WHITEHEAD LAW OFFICES

JULY 18, 2001

AT 15 MINUTES PAST 01 O'CLOCK

PM IN ROOM 156 OF OFFICE

RECORDS PAGE 404

LESLIE BOUCHER

COUNTY RECORDER

BY *Teresa Lewis* DEPUTY