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005-141-10; 005-161-03; 005-141-02;  
005-131-14; 012-170-08; 012-170-21;  
012-170-38; 006-201-06; 006-301-07;  
006-251-03; 006-281-15; 006-281-02;  
006-281-13; 006-281-08; 006-281-03;  
005-171-07; 006-261-27; 006-261-29;  
005-171-29; 006-261-09; 006-261-10;  
006-261-15; 006-261-14; 006-061-01;  
006-061-02; 006-061-03; 006-271-21

FILED FOR RECORDING  
AT THE REQUEST OF

First American Title

2004 SEP 17 PM 12 40

LINCOLN COUNTY RECORDER  
FEE \$34.00 DEP  
LESLIE BOUCHER KB

Mail Tax Statements to:

Pyramid Development , LLC  
6295 Wingfield Springs Road  
Sparks, Nevada 89436

When Recorded Mail to:

Carl D. Savely  
Lionel Sawyer & Collins  
50 W. Liberty Street, Suite 1100  
Reno, Nevada 89501

SPACE

ABOVE LINE FOR RECORDER'S USE

Escrow No NCS 95316

DEED OF TRUST WITH ASSIGNMENT OF RENTS

THIS DEED OF TRUST WITH ASSIGNMENT OF RENTS ("Deed of Trust"), dated as of September 15, 2004, is made by PYRAMID DEVELOPMENT, LLC, a Wyoming limited liability company, whose address is 6295 Wingfield Springs Road, Sparks, Nevada 89436 ("Trustor"), in favor of FIRST AMERICAN TITLE INSURANCE COMPANY OF NEVADA, a Nevada corporation ("Trustee"), for the benefit of Howard McCrosky, Max McCrosky, Robert E. McCrosky and William L. McCrosky, whose mailing address is HC 74 Box 170, Pioche, Nevada 89403 ("Beneficiary").

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 land described in Exhibit A attached to this Deed of Trust and incorporated herein (the "Land");

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

(c) the water rights described on Exhibit B attached hereto and incorporated herein (AWater Rights@);

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(c) all tenements, hereditaments, appurtenances, privileges and other rights and interests now or in the future benefitting or otherwise relating to the Land or the Improvements, including easements, rights-of-way, development rights, mineral rights, water rights and water stock (the "Appurtenances," and together with the Land, Improvements and Water Rights, the "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");

2.00 Obligations Secured. This Deed of Trust 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 Secured by Deed of Trust dated of even date herewith, in the face principal amount of \$3,000,000.00 executed by Trustor in favor of Beneficiary ("Note") including principal, interest and all other amounts payable under the terms of the Note; (b) all present and future obligations of Trustor under this Deed of Trust; (c) performance of all obligations under the Note; (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 Deed of Trust; 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 Deed of Trust, 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 Deed of Trust, the Note or any other documents executed in connection therewith.

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 Property that may be injured, damaged or destroyed, 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 commit or permit any waste of any part of the Property, (d) comply in all material respects with all laws and not commit or permit any material violation of any laws, which affect any part of the Trust Estate or require any alterations or improvements to be made to any part of the Property, (e) 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, (f) except as otherwise permitted by this Deed of Trust, 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, encumbered, released, relinquished, terminated or otherwise disposed of (whether voluntarily, by operation of law or otherwise), and (g) 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 on such 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 reasonably required by the Beneficiary. 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 Deed of Trust 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 Deed of Trust has been impaired, or will be impaired upon release of Damage Proceeds to Trustor.

3.04 Liens and Taxes. 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 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 Deed of Trust or the rights or powers of Beneficiary or Trustee, and give Beneficiary prompt written notice of any such claim, action or proceeding. 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 Deed of Trust.



3.06 Action By Beneficiary or Trustee. If Trustor fails to perform any of its obligations under this Deed of Trust 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 Deed of Trust, 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 Deed of Trust, Beneficiary or Trustee being authorized to enter upon the 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 Deed of Trust 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 Deed of Trust. 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 Deed of Trust, 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 Deed of Trust 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 Deed of Trust, 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 Deed of Trust, 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 Deed of Trust to, any tenancy, lease or option.

3.09 Events of Default. The occurrence of any one or more of the following events shall constitute an event of default:

(a) the Trustor shall fail to pay all or any portion of the principal of the Note when due; or

(b) the Trustor shall fail to pay any installment of interest on the Note or any other amount payable by the Trustor to the Beneficiary under the Note or this Deed of Trust when due, or the Trustor shall fail to pay all accrued interest and all other amounts then payable by the Trustor to the Beneficiary under the Note on the maturity date in full; or

(c) Trustor shall fail to perform or observe any term, covenant or agreement contained herein, in the Secured Obligations or in any document executed in connection with the Note and either (i) such failure shall continue for more than 30 days after notice of such failure is given by the Beneficiary to Trustor, unless such failure is not reasonably capable of being cured within such 30-day period (but is reasonably capable of being cured within 60 days after such notice) and Trustor commences action to cure such failure within such 30-day period and diligently and continuously prosecutes such action to completion and causes such failure to be cured within 60 days after such notice; or (ii) such failure is not reasonably capable of being cured within 60 days after notice of such failure is given by the Beneficiary to Trustor; or

(d) any representation proves to have been incorrect in any material respect when made; or

(e) Trustor is subject to an order for relief by the bankruptcy court, or is unable or admits in writing its inability to pay its debts as they mature or makes an assignment for the benefit of creditors; or Trustor applies for or consents to the appointment of any receiver, trustee or similar official for it or for all or any part of its property (or any such appointment is made without its consent and the appointment continues undischarged and unstayed for 60 days); or Trustor institutes or consents to any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, dissolution, custodianship, conservatorship, liquidation, rehabilitation or similar proceeding relating to it or to all or any part of its property under the laws of any jurisdiction (or any such proceeding is instituted without its consent and continues undischarged and unstayed for 60 days); or any judgment, writ, warrant of attachment or execution or similar process is issued or levied against any of the Trust Estate or any other property of Trustor and is not released, vacated or fully bonded within 60 days after its issue or levy; or

3.10 Default. Upon the occurrence of any event of default:

(a) Trustor shall be in default under this Deed of Trust, all Secured Obligations shall immediately become due and payable at the option of Beneficiary without further notice to Trustor; (b) upon demand by Beneficiary, Trustor shall pay to Beneficiary, 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 (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:

(i) 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:

(A) 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;

(B) enter into such contracts and take such other action as Beneficiary deems appropriate to complete all or any part of the construction on the Land, subject to such



modifications and other changes in the plan of development as Beneficiary may deem appropriate;

(C) 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;

(D) 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);

(E) 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

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

(ii) 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 Deed of Trust, 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.

(iii) Beneficiary may proceed to protect, exercise and enforce any and all other remedies provided by applicable laws.

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 '3.11 of this Deed of Trust 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 Deed of Trust, no Person who acquires any interest in the Trust Estate under a sale thereof pursuant to this '3.10 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 Deed of Trust is cumulative and not exclusive of, and shall not prejudice, any other remedy provided in this Deed of Trust or by applicable laws. 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 Deed of Trust 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 Deed of Trust 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 marshaling 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.

3.11 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 Deed of Trust or the enforcement of, or the exercise of any remedy or any other action taken by Trustee or Beneficiary under, this Deed of Trust 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 Deed of Trust in connection with the operation, maintenance, management, protection, preservation, collection, sale or other liquidation of the Trust Estate or foreclosure of this Deed of Trust, (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 Deed of Trust, (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 legal counsel; together with interest on all such amounts until paid (i) at the rate of twenty percent (20%) per annum 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.

3.12 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.

3.13 Action by Trustee. At any time and from time to time upon written request of Beneficiary and presentation of this Deed of Trust for endorsement, and without affecting the personal liability of any Person for payment of the Secured Obligations or the security of this Deed of Trust for the full amount of the Secured Obligations on all property remaining subject to this Deed of Trust, 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 Deed of Trust. 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.

3.14 Reconveyance. Upon written request of Beneficiary and surrender of this Deed of Trust 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 Deed of Trust. 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 herein, Beneficiary shall not be required to cause any property to be released from this Deed of Trust until final payment and performance in full of all Secured Obligations.

3.15 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 Deed of Trust, 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 Deed of Trust is recorded (or the date of recording and instrument number) and the name and address of the new Trustee.

3.16 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 or any other action taken by Beneficiary or Trustee under this Deed of Trust.

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

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

3.19 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.

3.20 Legal Description. Trustor represents that a complete legal description of the Land is set forth in Exhibit A.





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**LEGAL DESCRIPTION**

Real property in the City of , County of Lincoln, State of Nevada, described as follows:

PARCEL 1:

The Northwest Quarter (NW1/4) of the Northeast Quarter (NE1/4) of Section 7, Township 5 North, Range 68 East, M.D.B.&M.

PARCEL 2:

The Southeast Quarter (SE1/4) of the Northwest Quarter (NW1/4) of Section 28, Township 5 North, Range 68 East, M.D.B.&M.

PARCEL 3:

The Southwest Quarter (SW1/4) of the Northwest Quarter (NW1/4) and the North Half (N1/2) of the Southwest Quarter (SW1/4) of Section 33, Township 5 North, Range 68 East, M.D.B.&M.

PARCEL 4:

The Southeast Quarter (SE1/4) of the Southeast Quarter (SE1/4) of Section 26, Township 5 North, Range 68 East, M.D.B.&M.

PARCEL 5:

The South Half (S1/2) of the Southwest Quarter (SW1/4) of the Northeast Quarter (NE1/4) of Section 12, Township 6 North, Range 68 East, M.D.B.&M.

PARCEL 6:

Lot 2 of Section 7, Township 6 North, Range 69 East, M.D.B.&M.

PARCEL 7:

The Southeast Quarter (SE1/4) of the Southwest Quarter (SW1/4) of Section 1, Township 5 North, Range 69 East, M.D.B.&M.

PARCEL 8:

The Northeast Quarter (NE1/4) of the Northeast Quarter (NE1/4) of Section 19, Township 6 North, Range 69 East, M.D.B.&M.

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## PARCEL 9:

The Southeast Quarter (SE1/4) of the Southwest Quarter (SW1/4) of Section 36, Township 6 North, Range 68 East, M.D.B.&M.

## PARCEL 10:

That portion of the Southwest Quarter (SW1/4) of the Northwest Quarter (NW1/4) of Section 8, Township 2 South, Range 68 East, M.D.B.&M. bounded as follows:

On the North by the North Line of said Southwest Quarter (SW1/4) of the Northwest Quarter (NW1/4);

On the East by the Westerly line of the land conveyed to Caliente & Pioche Railroad Company by deed recorded October 9, 1906 in Book W of Deed Records, page 343;

On the West by the Easterly line of the land conveyed to the State of Nevada Department of Highways by deed recorded March 10, 1924 in Book C-1 of Deed Records, page 91; and on the South by the Northerly line of the land conveyed to the State of Nevada by deed July 15, 1948 in Book H-1 of Deed Records, page 252.

## PARCEL 11:

That portion of the Southwest Quarter (SW1/4) of the Northwest Quarter (NW1/4) of Section 3, Township 2 South, Range 68 East, M.D.B.&M. bounded as follows:

On the East by the Easterly line of said Southwest Quarter (SW1/4) of the Northwest Quarter (NW1/4);

On the North by the Southerly line of the land conveyed to the State of Nevada by deed recorded July 15, 1948 in Book H-1 of Deed Records, page 252;

On the West by the Easterly line of the land conveyed to Caliente & Pioche Railroad Company by deed recorded October 9, 1905 in Book W of Deed Records, page 343; and on the South by the South line of said Southwest Quarter (SW1/4) of the Northwest Quarter (NW1/4).

EXCEPTING THEREFROM that portion described as follows:

Commencing at a point on the Quarter Section line, from which the West Quarter (W1/4) corner of Section 8, Township 2 South, Range 68 East, bears West 889.5 feet;

Thence North 25 feet;

Thence East 25 feet;

Thence South 25 feet;

Thence West along the Quarter Section line 25 feet to the place of beginning.

## PARCEL 12:

That portion of the Northwest Quarter (NW1/4) of the Southeast Quarter (SE1/4) of the Northwest Quarter (NW1/4) of Section 8, Township 2 South, Range 68 East, M.D.B.&M. described as follows:

Commencing at the center of the Northwest Quarter (NW1/4) of said Section 8, and running thence South approximately 660 feet to the North line of State Highway Route 25;

Thence Easterly along said North side of said highway 590 feet;

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Thence North about 660 feet to the North line of the Southeast Quarter (SE1/4) of the Northwest Quarter (NW1/4) of said Section 8;  
Thence Westerly 590 feet to the point of beginning.

PARCEL 13:

The Southwest Quarter (SW1/4) of the Southwest Quarter (SW1/4) of Section 35, Township 2 North, Range 67 East, M.D.B.&M.

PARCEL 14:

The Southwest Quarter (SW1/4) of the Northeast Quarter (NE1/4) of Section 16, Township 1 North, Range 67 East, M.D.B.&M.

PARCEL 15:

All of the East Half (E1/2) of the Northwest Quarter (NW1/4) and all of the East Half (E1/2) of the Southwest Quarter (SW1/4) of Section 21; also all the West Half (W1/2) of the East Half (E1/2) [erroneously recorded West 1/2 of the West Half (W1/2 W1/2)] of Section 21 West of the division fence between the Lytle Ranch and the Devlin Ranch in Rose Valley, also the North 800 feet of the Northeast Quarter (NE1/4) of the Northwest Quarter (NW1/4) of Section 28, and that part of the Northwest Quarter (NW1/4) of the Northeast Quarter (NE1/4) of said Section 28 which lies West and North of said division fence, all in Township 1 North, Range 69 East, M.D.B.&M., more fully described as:

Beginning at a point 520 feet North of the Southwest corner of the Northeast Quarter (NE1/4) of the Northwest Quarter (NW1/4) of Section 28, and running thence East along division fence a distance of 1510 feet to corner of said fence;

Thence North about 10° East along said fence to a point on the North boundary of Section 21, said point being 146.5 feet West of the Northeast corner of the Northwest Quarter (NW1/4) of the Northeast Quarter (NE1/4) of said Section 21;

Thence along the North boundary line of said Section 21 to the Northwest corner of the Northeast Quarter (NE1/4) of the Northwest Quarter (NW1/4) of said Section 21;

Thence South 6080 feet to the place of beginning.

EXCEPTING THEREFROM any portion lying within the exterior boundary lines of parcel Map for McCrosky Brothers recorded January 20, 2000 in Plat Book B, page 278 as File No. 113871 in the Office of the County Recorder, Lincoln County, Nevada.

PARCEL 16:

The South Half (S1/2) of the Southwest Quarter (SW1/4) of Section 16, Township 1 North, Range 69 East, M.D.B.&M.

PARCEL 17:

The Southwest Quarter (Sw1/4) of the Southeast Quarter (SE1/4) of Section 16, Township 1 North, Range 69 East, M.D.B.&M.

EXCEPTING THEREFROM that portion described as follows:

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Commencing at a point on the section line of Sections 16 and Section 21, Township 1 North, Range 69 East, M.D.B.&M, from which the 1/4 corner of said section line bears due west for a distance of 1,165.46 feet, said point is also the point of intersection of the division line fence and said section line, running thence North 5° 16' East for a distance of 141.95 feet to a fence corner just south of the road;

Thence North 63° 49' West a distance of 149.58 feet to the center of the North-South road immediately west of a corral constructed by Jimmie Rosa;

Thence due north for a distance of 452.65 feet;

Thence due west for a distance of 467.78 feet;

Thence due north for a distance of 100.00 feet;

Thence due west for a distance of 576.48 feet;

Thence due north for a distance of 560.00 feet along the west line and to the north-west corner of said 40 acre tract;

Thence due east for a distance of 1,320.00 feet along the north line to the Northeast corner of said 40 acre tract;

Thence due south for a distance of 1,320.00 feet along the east line to the Southeast corner of said 40 acre tract;

Thence due west for a distance of 154.54 feet to the point of beginning.

ALSO EXCEPTING THEREFROM that portion described as follows:

Commencing at a point from which the 1/4 corner of said Section 16 and Section 21 bears due south for a distance of 374.31 feet;

Thence due north along the west boundary of the Southwest Quarter (SW1/4) of the Southeast Quarter (SE1/4) of said Section 16, for a distance of 385.69 feet;

thence due east for a distance of 576.48 feet;

Thence due south for a distance of 472.45 feet;

Thence North 81° 14' West for a distance of 583.30 feet to the point of beginning.

ALSO EXCEPTING THEREFROM any portion lying within the exterior boundary lines of parcel Map for McCrosky Brothers recorded January 20, 2000 in Plat Book B, page 278 as File No. 113871 in the Office of the County Recorder, Lincoln County, Nevada.

**PARCEL 18:**

The West Half (W1/2) of the Northwest Quarter (NW1/4) of Section 21, Township 1 North, Range 69 East, M.D.B.&M.

**PARCEL 19:**

A triangular piece of land in the Northeast Quarter (NE1/4) of the Northeast Quarter (NE1/4) of Section 21, Township 1 North, Range 69 East, M.D.B.&M., described as follows:

Beginning at the Northeast corner of said Northeast Quarter (NE1/4) of the Northeast Quarter (NE1/4) of Section 21, thence West along the North boundary line of said Northeast Quarter (NE1/4) of the Northeast Quarter (NE1/4), 1075 feet;

Thence South 4° 30' East 650 feet;

Thence North 57° 41' East 1212 feet to place of beginning known as "Coumerilh Gardens".

**PARCEL 20:**

An undivided 5/16th interest in and to the West Half (W1/2) of the Southeast Quarter (SE1/4) and the Southwest Quarter (SW1/4) of Section 15; Also the East Half (E1/2) of the Southeast Quarter (SE1/4) of Section 16, all in Township 5 North, Range 67 East, M.D.B.&M., commonly known as "Brown Springs Property".

**PARCEL 21:**

Parcels 1A, 1B and 3 of Parcel Map for McCrosky Brothers recorded January 22, 2002 in Plat Book B, pages 417 as File No. 117585 in the Office of the County Recorder, Lincoln County, Nevada, lying within the NE1/4 NW1/4 of Section 2, Township 1 North, Range 69 East, M.D.B.&M.

**PARCEL 22:**

That portion of the South Half (S1/2) of the Northwest Quarter (NW1/4) of Section 2, Township 1 North, Range 69 East, M.D.B.&M. described as follows:

Beginning at the Northwest corner of the Southwest Quarter (SW1/4) of the Northwest Quarter (NW1/4) of Section 2, Township 1 North, Range 69 East, M.D.B.&M.; thence East 1110 feet more or less;

Thence South 73° East 1472 feet more or less;

Thence South 23° 30' West 87 feet;

Thence South 68° East 160 feet, more or less, to the East line of the Southeast Quarter (SE1/4) of the Northwest Quarter (NW1/4) of said Section 2;

Thence South 280 feet, more or less;

Thence South 71° West 210 feet;

Thence North 71° 45' West 1582 feet;

Thence West across highway right of way to West boundary thereof;

Thence Southerly along the West boundary of highway right of way to the South boundary of the Southwest Quarter (SW1/4) of the Northwest Quarter (NW1/4) of Section 2;

Thence West 880 feet, more or less, to the section line common to Sections 2 and 3;

Thence North along said section line 1320 feet to the point of beginning.

**PARCEL 23:**

That portion of the Southwest Quarter (SW1/4) of Section 2, Township 1 North, Range 69 East, M.D.B.&M., described as follows:

Beginning at a point 1468 feet North of the Southwest corner of Section 2, Township 1 North, Range 69 East, M.D.B.&M, said point being on the dividing line between said Section 2 and Section 3, thence running East 435 feet;

Thence running South 71° 33' East 1058 feet;

Thence running North 19° 47' East 179 feet;

Thence running South 70° 13' East 525 feet;

Thence running East 647 feet to the quarter section line between the Southwest Quarter (SW1/4) and the Southeast Quarter (SE1/4) of said Section 2;

Thence running East 425 feet;

Thence running North 71° 40' West, 1446.6 feet;

Thence running West 842 feet, to the dividing line between said Section 2 and Section 3;

Thence running South along said dividing line 655.7 feet to the point of beginning.



## PARCEL 24:

That portion of the Northwest Quarter (NW1/4) of the Southwest Quarter (SW1/4) of Section 2, Township 1 North, Range 69 East, bounded as follows:

On the North and West by the North and West lines of said Section 2;  
on the East by the Westerly line of Nevada State Route 85 right-of-way, and on the South by that portion described as follows:

Beginning at a point 1468 feet North of the Southwest corner of Section 2, Township 1 North, Range 69 East, M.D.B.&M, said point being on the dividing line between said Section 2 and Section 3, thence running East 435 feet;  
Thence running South  $71^{\circ} 33'$  East 1058 feet;  
Thence running North  $19^{\circ} 47'$  East 179 feet;  
Thence running South  $70^{\circ} 13'$  East 525 feet;  
Thence running East 647 feet to the quarter section line between the Southwest Quarter (SW1/4) and the Southeast Quarter (SE1/4) of said Section 2;  
Thence running East 425 feet;  
Thence running North  $71^{\circ} 40'$  West, 1446.6 feet;  
Thence running West 842 feet, to the dividing line between said Section 2 and Section 3;  
Thence running South along said dividing line 655.7 feet to the point of beginning.

## PARCEL 25:

An undivided one-fifth interest in and to the Northeast Quarter (NE1/4) of the Southeast Quarter (SE1/4) of Section 5, Township 3 North, Range 69 East, M.D.B.&M.

## PARCEL 26:

An undivided one-fifth interest in and to the Northwest Quarter (NW1/4) of the Southwest Quarter (SW1/4) of Section 17, Township 3 North, Range 69 East, M.D.B.&M.

## PARCEL 27:

The Northeast Quarter (NE1/4) of the Southeast Quarter (SE1/4) of Section 1, Township 3 North, Range 69 East, M.D.B.&M., and also Lots 6 and 7 in Section 6 and the Southwest Quarter (SW1/4) of the Northeast Quarter (NE1/4), the Southeast Quarter (SE1/4) of the Northwest Quarter (NW1/4), the Northeast Quarter (NE1/4) of the Northwest Quarter (NW1/4) and Lots 1 and 2 in Section 7, Township 3 North Range 70 East, M.D.B.&M.

## PARCEL 28:

The East Half (E1/2) of the Southeast Quarter (SE1/4) of the Southeast Quarter of Section 1 and the East Half (E1/2) of the Northeast Quarter (NE1/4) of the Northeast Quarter (NE1/4) of the Northeast Quarter (NE1/4) and the Northeast Quarter (NE1/4) of the Southeast Quarter (SE1/4) of the Northeast Quarter (NE1/4) of the Northeast Quarter of Section 12, all in Township 3 North, Range 69 East, M.D.B.&M.; together with the West Half (W1/2) of the Southeast Quarter (SE1/4) of the Southwest Quarter (SW1/4), the West Half (W1/2) of the Southeast Quarter (SE1/4) of the Southeast Quarter (SE1/4) of the Southwest Quarter (SW1/4) and the Southeast Quarter (SE1/4).

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of the Southeast Quarter (SE1/4) of the Southeast Quarter (SE1/4) of the Southwest Quarter of Section 6 and the West Half (W1/2) of the Northwest Quarter (NW1/4) of the Northeast Quarter (NE1/4), the West Half (W1/2) of the Southeast Quarter (SE1/4) of the Northwest Quarter (NW1/4) of the Northeast Quarter (NE1/4), the Southeast Quarter (SE1/4) of the Southeast Quarter (SE1/4) of the Northwest Quarter (NW1/4) of the Northeast Quarter (NE1/4), the Southwest Quarter (SW1/4) of the Northwest Quarter (NW1/4) of the Southeast Quarter (SE1/4) of the Northeast Quarter (NE1/4), the North Half (N1/2) of the Northeast Quarter (NE1/4) of the Southwest Quarter (SW1/4), the West Half (W1/2) of the Southwest Quarter (SW1/4) of the Northeast Quarter (NE1/4) of the Southwest Quarter (SW1/4), the Northeast Quarter (NE1/4) of the Southwest Quarter (SW1/4) of the Northeast Quarter (NE1/4) of the Southwest Quarter and the Northwest Quarter (NW1/4) of the Southeast Quarter (SE1/4) of the Northeast Quarter (NE1/4) of the Southwest Quarter (SW1/4) of Section 7, all in Township 3 North, Range 70 East, MDB&M.

PARCEL 29:

Parcels 1 and 2 of Parcel Map for McCrosky Brothers recorded December 17, 1993 in Plat Book A, page 401 as File No. 101245, lying within the Southeast Quarter (SE1/4) of Section 10, Township 1 North, Range 69 East, M.D.B.&M.

PARCEL 30:

The North 28.74 acres of the Northeast Quarter (NE1/4) of the Southwest Quarter (SW1/4) of Section 28, Township 5 North, Range 68 East, M.D.B.&M.

APN: 006-281-15 and 006-281-13 and 006-281-08 and 006-281-03 and 006-281-02 and 006-251-03 and 006-271-21 and 006-261-29 and 006-261-15 and 006-261-14 and 006-261-10 and 006-261-09 and 006-061-03 and 006-241-70 and 006-241-36 and 005-131-14 and 005-131-27 and 005-141-02 and 005-141-10 and 005-161-03 and 005-171-22 and 005-171-26 and 005-171-36 and 005-171-38 and 005-171-41 and 005-171-29 and 005-171-07 and 009-012-95 and 006-261-27 and 006-261-30 and 006-241-69 and 006-201-06 and 006-301-07 and 012-170-008 and 012-170-038 and 012-170-021

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Exhibit B

Description of Water Rights

Claim, Proof, Vesting or Permit No.:

V01248

V01249

22486

11060 (Cert. No. 3150) - 0.89 cfs, not to exceed 293 afa

11759 (Cert. No. 3918) - a two-thirds interest at a rate of 2.333 cfs, not to exceed 720 afs

20833 (Cert. No. 7144) - 2.63 cfs, not to exceed 526.5 afa

20861 (Cert. No. 7145) - 2.2 cfs, not to exceed 591 afa

26500 (Cert. No. 13372 - 3.96 cfs, not to exceed 779.16 afa

That portion of Proof No. 02933 in the Matter of the Determination of the Relative Rights in and to the Waters of Camp Valley Creek, Eagle Valley Creek, Panaca Big Spring, Clover Valley Wash, Meadow Valley Wash and their Tributaries in Lincoln and Clark Counties, Nevada dated June 9, 1999, equivalent to 28 units (shares) in the Eagle Valley Irrigation Company, Inc.

V02027 - Sawmill Spring

V02007 - Adams Corral Spring

V02001 - Camp Valley Creek

V01971 - Rosencrante Middle Fork Spring

V01973 - Rosencrante South Fork Spring

V01974 - South Rosencrante Spring

V01975 - Rosencrante

V01990 - Woods - McCullough North Fork Spring

V01991 - Woods - McCullough Middle Fork Spring

V01992 - Woods - McCullough South Fork Spring

V02006 - Meadow Springs

V02002 - Pine Spring

V02004 - Meadow Spring

V02021 - Gleason Basin Spring #4

V02022 - Gleason Basin Spring #1

V02023 - Gleason Basin Spring #2

V01248 (Cert. No. 159) - Parsnip Spring

V01249 - Buster Spring

V02020 - Milk Ranch Spring

V02024 - Lone Trough Spring

V02025 - Monumental Spring

V01972 - Rosencrante

V02006 - Adams Corral

22486 (cancelled)