

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

THIS DEED OF TRUST dated this 30th day of December, 1997, by and between RUBY HILLS ASSOCIATES, a Nevada limited partnership, (hereinafter referred to as "Trustor"), whose address is 1188 Court Street, Elko, Nevada 89801, and ORRIN M. GOWEN, (hereinafter referred to as "Trustee"), whose address is 601 Cleveland Street, Suite 931, Clearwater, Florida, 34615, and MIDLAND MORTGAGE INVESTMENT CORPORATION, a Florida corporation, (hereinafter referred to as "Beneficiary"), whose mailing address is 601 Cleveland Street, Suite 930, Clearwater, FL, 34615.

WITNESSETH:

The Trustor irrevocably grants, bargains, sells, transfers, assigns and conveys to Trustee in trust, with power of sale, for the benefit and security of Beneficiary:

(a) All that real property in Eureka County, Nevada, further described in Exhibit "A" attached hereto and incorporated herein by reference, together with Trustor's interest in all and singular the rights, privileges, tenements, hereditaments and appurtenances now or hereafter belonging or in any wise appertaining thereunto, the reversion and reversions, remainder and remainders, together with all rents, issues, profits, royalties, oil, gas or mineral rights, income and other benefits derived from the real property, subject to the right, power and authority hereinafter given to Trustor to collect and apply such rents;

(b) All of Debtor's right, title and interest in any low income housing tax credit allocations issued to Debtor pursuant to Section 42, Internal Revenue Code of 1986, as amended;

(c) All leasehold estate, right, title and interest of Trustor in and to all leases or subleases covering the real property or any portion thereof now or hereafter existing or entered into, and all right, title and interest of Trustor thereunder, including, without limitation, all cash or security deposits, advance rentals or deposits, or payments of similar nature;

(d) All interest, estate or other claims, both in law and in equity, which Trustor now has or may hereafter acquire in the real property;

(e) All buildings, structures, and improvements of every nature whatsoever now or hereafter situated on the real property, and all property affixed to or located upon the premises, and real property, to the fullest extent permitted by law, shall be deemed fixtures and a part of the real property, machinery, equipment, appliances, fittings, furniture, all materials delivered to the premises for incorporation or use in any construction being conducted thereon, and other personal property of every nature whatsoever now or hereafter owned by Trustor and located in, on, or used or intended to be used in connection with or with the operation of the real property, buildings, structures or other improvements, including all extensions, additions, improvements, betterments, renewals, and replacements of any of the foregoing, and all of the right, title and interest of Trustor in any such personal property or fixtures, together with the benefit of any deposits or payments now or hereafter made by Trustor or on its behalf, with respect thereto or any estate, right, title or interest Trustor may hereafter acquire thereon. To the extent any property covered by this Deed of Trust consists of rights in action or personal property covered by the Uniform Commercial Code, this Deed of Trust constitutes a security agreement and is intended to create a security interest in such property in favor of Beneficiary. This Deed of Trust shall be self-operative with respect to such property, but Trustor agrees to execute and deliver on demand such security agreement, financing statement and other instruments as Beneficiary may request in order to impose the lien

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1.03 Other Indebtedness. Payment of such additional amounts as may be hereafter loaned by the Beneficiary or its successor to the Trustor or any successor in interest of the Trustor, with interest thereon, and any other indebtedness or obligation to the Trustor, payable to or acquired by Beneficiary or its successor, and any present or future demands of any kind or nature which the Beneficiary, or its successor, may have against the Trustor, whether absolute or contingent, whether due or not, or whether otherwise secured or not, or whether existing at the time of the execution of this instrument or arising thereafter, including any guarantees or other obligations of like kind or nature, also as security for the payment and performance of every obligation, covenant, promise or agreement herein or in said Note or notes contained. Trustor grants to Beneficiary the right to record notice that this Deed of Trust is security for additional amounts

1.02 Payment on Note. Payment of the indebtedness evidenced by one promissory note (hereinafter referred to as the "Note") of even date herewith, and any extensions, revisions, modifications, substitutions, or renewal thereof, in the principal sum of \$727,500.00, executed by Trustor, and in favor of Beneficiary or order, with interest thereon, according to the terms thereof and the performance and discharge of each and every obligation of Trustor set forth in the Note.

1.01 Covenants and Conditions of Deed of Trust. Performance of each and every term, covenant and condition incorporated by reference or contained herein.

This Deed of Trust is for the purpose of securing:

PURPOSE OF DEED OF TRUST AS SECURITY

ARTICLE I

Said real property, together with said tenements, hereinafter referred to as the "Property",

interest referred to in subparagraphs a, b, c, d, e and f above are

(g) All awards or payments, including interest thereon, and the right to receive the same, which may be made with respect to the property referred to above as a result of (1) the exercise of the right of eminent domain, (ii) the alteration of the grade of any street or (iii) any other injury to or decrease in the value of such property, together with any amounts received by the Trustor in settlement in lieu of any of the foregoing, to the extent of all amounts which may be secured by this Deed of Trust at the date of receipt of any such award or payment by the Beneficiary, and of the reasonable attorneys fees, costs and disbursements incurred by the Trustee or the Beneficiary in connection with the collection of such award or payment. The Trustor agrees to execute and deliver from time to time, such further instruments as may be requested by the Beneficiary to confirm such assignment to the Trustee and the Beneficiary of any such award or payment.

(f) All right, title and interest of Trustor in and to all streets, roads and public places, opened or proposed; and all easements and rights of way, public or private, now or hereafter used in connection with the real property and premises thereon;

together with the benefit of any payments now or hereafter made any and all deposits thereon is hereby assigned to Beneficiary, hereunder, all the right, title and interest of Trustor in and to this Deed of Trust on any property be subject to a prior security agreement covering such property, then in the event of any default hereof more specifically upon any such property. If the lien of instruments as Beneficiary may request in order to impose the lien

and obligations not specifically mentioned herein but which constitute indebtedness or obligations of the Trustor for which Beneficiary may claim this Deed of Trust as security.

1.04 Construction Loan Agreement. Payment of all other sums, with interest thereon becoming due or payable under the provisions hereof or of the Construction Loan Agreement between Trustor and Beneficiary executed this date (hereinafter referred to as "Agreement"), to either Trustee or Beneficiary; including further advances to be used primarily in the construction of improvements on the Property in accordance with the Agreement, which Agreement is incorporated herein by reference to the same extent and effect as if fully set forth herein and made a part of this Deed of Trust.

1.05 Performance. Due, prompt and complete observance and performance of each and every obligation, covenant and agreement of Trustor contained herein, in the Agreement, or in any other instrument executed by Trustor for the purpose of further securing the indebtedness and obligation represented by the Note. In the event of any inconsistency between the provisions hereof and of the Agreement it is intended that during the continuance of the Agreement it shall be controlling.

1.06 Advances to Successive Owners. Such additional sums with interest thereon as may be hereafter borrowed from the Beneficiary, its successors or assigns, by the then record owner or owners of the Property when evidenced by another promissory note or notes which are by the terms thereof secured by this Deed of Trust.

1.07 Protection of Property. Payment of all sums advanced by Beneficiary to protect the Property.

ARTICLE II

WARRANTIES OF TRUSTOR

Trustor represents and warrants that:

2.01 Title. Trustor has full, complete and marketable title to the Property.

2.02 First Lien on Property. This Deed of Trust is and will remain a valid and enforceable first lien on the Property subject only to those exceptions herein approved of in writing by Beneficiary, provided, however, that as to those exceptions and encumbrances permitted to be shown, the Trustor warrants that they do not interfere with the use and enjoyment for their intended purposes of the improvements located on the Property, and that there are no present violations on said Property of any enforceable covenants, conditions and restrictions affecting the Property.

2.03 Information and Financial Statements. All information and financial statements furnished or to be furnished Beneficiary by or on behalf of Trustor in connection herewith, or the Agreement or any other instrument or obligations secured are true and correct.

2.04 Valid Agreements. The Note, the Agreement, this Deed of Trust, all other instruments securing the Note, and all other instruments and agreements in connection therewith or the transactions in connection with which the Note is given are valid and binding obligations of the parties thereto, enforceable in accordance with their terms.

2.05 Rents, Issues and Profits. The rents, issues and profits arising from or in connection with the Property or any portion thereof have not heretofore been assigned.

2.06 Partnership. Trustor is a limited partnership duly and validly existing under the laws of the State of Nevada and duly

3.05 Costs and Expenses of Trust. Trustor agrees to pay and discharge all costs, fees and expenses of these trusts, including but not limited to, the costs, expenses and attorney's fees incurred by Beneficiary, in any litigation with respect hereto, in

3.04 Alterations. No building, structure, fixture or other improvement shall be removed, demolished or materially changed or altered without the prior written consent of Beneficiary, whose consent shall not be unreasonably withheld. Trustor shall promptly and in a good and workmanlike manner, repair and restore any improvement which may be changed or destroyed and replace any lost, stolen, damaged or destroyed personally.

3.03 Maintenance, Repair and Compliance. Trustor shall keep and maintain or cause the Property to be kept and maintained in good order and condition and shall comply with all laws, rules, regulations, covenants, conditions, restrictions and agreements pertaining to the Property or Trustor's use thereof. Trustor shall not commit or permit any waste thereon, nor commit, suffer or permit any act to be done in or upon said Property in violation of law.

3.02 Construction. Trustor shall complete in a good and workmanlike manner any building or other improvements which may be constructed on the Property and pay when due any and all claims for labor performed and materials furnished therefor.

3.01 Notice of Proceedings. If any action or proceeding shall be instituted for any purpose affecting the Property, or any part thereof, title thereto or this Deed of Trust, Trustor will, immediately upon service thereof on or by Trustor, deliver to the Beneficiary true copies of each notice, petition, summons, complaint, notice of motion, order to show cause and all other process, pleadings and papers, however designated, served in such action or proceeding.

To protect the security of this Deed of Trust, Trustor further agrees:

COVENANTS AND AGREEMENTS OF TRUSTOR

ARTICLE III

2.07 Enforceability. Trustor has not performed any act and is not bound by any instrument which would prevent Beneficiary from enforcing this Deed of Trust.

qualified to do business in the State of Nevada with power to (a) incur the indebtedness evidenced by the Note; (b) grant this Deed of Trust; (c) enter into any other instruments executed and delivered to Beneficiary concurrently herewith; (d) that it is in good standing in the State of Nevada; (e) this Deed of Trust, the Agreement, the Note and all other instruments executed and delivered to the Beneficiary concurrently herewith were executed in accordance with the requirements of law and in accordance with any requirement of the Trustor's partnership agreement, and any amendments thereto; (f) the execution and delivery of this Deed of Trust, the Agreement, the Note and any other instruments executed and delivered to the Beneficiary concurrently herewith, and the full and complete performance of the provisions thereof, are authorized by the Trustor's partnership agreement, and any amendments thereto, and will not result in the creation of any lien, charge or encumbrance (other than those contained herein or in any instrument delivered to the Beneficiary concurrently herewith) upon any property or assets of the Trustor or any indenture, mortgage, deed of trust, bank loan or credit agreement or other instrument to which the Trustor is a party or by which the Trustor is bound; and (g) there are no lawsuits pending or threatened against the Trustor, including, without limitation, counterclaims, cross-claims and third party complaints.

(g) In the event of foreclosure of this Deed of Trust or other transfer of title or assignment of the Property in extinguishment, in whole or in part, of the debt secured hereby, all right, title and interest of Trustor in and to all policies of

(f) All insurance provided for herein shall be effected under valid and enforceable policies, in form and substance then standard in Nevada and satisfactory to Beneficiary, issued by insurers or recognized responsibility approved of by Beneficiary. Upon the execution of this Deed of Trust and thereafter thirty (30) days prior to the expiration dates of expiring policies theretofore furnished hereunder, originals of the policies, or certificates thereof, shall be delivered to Beneficiary. All such policies shall contain an agreement by the insurers that such policies shall not be cancelled without at least thirty (30) days prior written notice to Beneficiary and shall provide that any loss shall be payable to Beneficiary notwithstanding any act or negligence by Trustor which might otherwise result in forfeiture of said insurance. All policies of insurance provided for herein, and any other policies relating to the Property procured by Trustor, shall name Trustor and Beneficiary as the insureds, as their respective interests may appear. Beneficiary and Trustor shall jointly adjust or compromise any losses under any insurance policy provided for herein unless a Notice of Default has been recorded, in which event, Beneficiary is authorized to compromise any such loss.

(e) Such other insurance in such amounts and against such other risks as Beneficiary may reasonably require.

(d) Flood insurance in form and substance satisfactory to Beneficiary; provided, however, that such insurance shall not be required during such periods as Trustor is able to provide Beneficiary with evidence, satisfactory to Beneficiary, that such insurance is not required by law in connection with the Property, Trustor, Beneficiary, this Deed of Trust or any instrument or obligation secured hereby or given in connection herewith.

(c) Worker's compensation insurance as required by law.

(b) Comprehensive public liability insurance insuring against loss, damage or liability for injury or death to persons and loss and damages to the Property occurring from any cause whatsoever upon, in or about the Property in such amounts as Beneficiary may require.

(a) Insuring the improvements and personally which are now or shall hereafter be erected or located upon the Property, against loss or damage by fire, and against such other risks of a similar or dissimilar nature as shall be insurable under present or future forms of fire and extended coverage policies available to the owners of Property in the county where the project is located, similar to the Property, including vandalism and malicious mischief endorsements. Such insurance shall be for the full insurable value thereof, but in no event, less than an amount sufficient to avoid the effect of co-insurance provisions of the policies and, if such insurance is in an amount less than the full replacement value, in no event less than the outstanding indebtedness secured by this Deed of Trust. The proceeds of such insurance shall be payable to Beneficiary pursuant to a standard mortgage clause and shall be applied in such manner as Beneficiary elects in its sole and absolute discretion without regard to whether or not its security hereunder has been impaired.

3.06 Insurance. During the existence of this trust, Trustor agrees to maintain policies of insurance as follows:

connection herewith or any transaction related hereto and the cost of evidence of title and Trustee's fees in connection with sale, whether completed or not, which amounts shall become due upon demand by either Beneficiary or Trustee.

insurance required by this Paragraph 3.06 shall inure to the benefit of and pass to the successor in interest of Trustor or the purchaser or grantee of the Property.

3.07 Actions Affecting Property. Trustor Promises and agrees that if, during the existence of the trust there be commenced or pending any suit or action, arbitration or other proceeding affecting the Property, or any part thereof, the title thereto or this Deed of Trust, or in any adverse claim for or against said Property, or any part thereof, be made or asserted, it will appear in and defend any such matter purporting to affect the security and will pay all costs and damages, including attorneys' fees, arising because of such proceeding. If Beneficiary elects to appear in any such proceeding, Beneficiary shall control such action or defense at Trustor's sole costs and expense, including payment of attorneys' fees, incurred by Beneficiary.

3.08 Condemnation. Trustor immediately upon obtaining knowledge of the institution of any proceeding for the condemnation of the Property or any part thereof, shall notify Beneficiary of the pendency of such proceedings. Beneficiary may participate in any such proceedings and Trustor from time to time will deliver to Beneficiary all instruments required by it to permit such participation. In the event of such condemnation proceedings, any award or compensation shall be paid to Beneficiary and shall be applied in such manner as Beneficiary elects in its sole and absolute discretion. Beneficiary may, in its sole and absolute discretion, whether or not its security hereunder has been impaired, and notwithstanding any other provision hereof, direct that any condemnation proceeds, or any portion thereof, remaining after payment of all costs and expenses of Beneficiary or Trustee in collecting the same, be paid, on such terms and conditions as Beneficiary may provide, for the restoration and repair of the improvements damaged or destroyed by such casualty or condemnation. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

3.09 Taxes and Impositions. At Beneficiary's option, Trustors shall be required to pay, in addition to the installments payable under the Note, on the same date as such installments are due and payable, a sum equal to one-twelfth (1/12) of the estimated annual taxes, assessments, levies, fees and charges required to be paid by Trustors hereunder. If the amount so paid is not sufficient to pay such taxes, assessments, levies, fees, and charges when due, then Trustor will immediately pay Beneficiary or such depository, as the case may be, amounts sufficient to pay the same. Sums deposited by Trustor pursuant hereto shall be used to pay such taxes, assessments, levies, fees and charges when due provided that Trustor has furnished Beneficiary with all tax statements and such other notices at least thirty (30) days prior to the date that any such taxes, assessments, levies, fees and charges may be due. Nothing herein shall impose on Beneficiary or such depository the obligation to pay any amount on account of taxes, assessments, levies, fees or charges in excess of the amount then deposited with Beneficiary or such depository pursuant hereto. In the event of any default hereunder or under any instrument or obligation secured hereby, Beneficiary may elect, at any time thereafter, to apply the funds deposited with it or such depository in such manner as Beneficiary may deem desirable, in its sole and absolute discretion. No interest shall accrue or be allowed on any payments made pursuant to this paragraph, if made, shall not be deemed to be a waiver or release of any other right or remedy available hereunder to Beneficiary in the event of default.

3.10 Utilities. Trustor shall pay when due all utility charges which are incurred by Trustor for the benefit of the Property or which may become a charge or lien against the Property for gas, electricity, water or sewer services furnished to the Property and all other assessments or charges of a similar nature,

(e) Beneficiary may at its option enter upon and take possession of the Property, with or without the appointment of a receiver, or an application therefor, and to let the same.

(d) The collection of rents and the application thereof as aforesaid shall not cure or waive any default or notice thereof, or invalidate any act of Beneficiary pursuant thereto. In the exercise of the powers herein granted Beneficiary, Beneficiary shall not be deemed to have affirmed any lease or rental agreement or to have subordinated the lien hereof thereto, nor shall any liability be asserted or enforced against Beneficiary. Beneficiary shall not be obligated to perform or discharge any obligation, duty or liability under any lease, or under or by reason of this Assignment, and Trustor shall and does hereby agree to indemnify Beneficiary for and to hold it harmless of and from any and all liability, loss, costs, charges, penalties, obligations, expenses, attorneys' fees, litigation, judgments, damages, claims and demands which it may or might incur by reason of, arising from, or in connection with said leases or rental agreements, this Assignment, any alleged obligations or undertakings on Beneficiary's part to perform or discharge any of the terms, covenants or agreement contained in said leases, or rental agreements or any action taken by Beneficiary pursuant thereto.

(c) At any time, and from time to time, at the request of Beneficiary, Trustor shall execute, acknowledge and deliver all such instruments as Beneficiary may deem necessary or desirable to further assure and confirm the assignment of leases, rents, issues and profits.

(b) Although it is the intention of the parties that this instrument shall be a present assignment, Beneficiary shall not exercise any of the rights or powers conferred in this Paragraph 3.13, until a default shall occur under this Deed of Trust, but upon the occurrence of any such default, Beneficiary shall be entitled to all of the above-mentioned rents, issues, profits, rights and privileges and to apply the same in its sole and absolute discretion.

(a) Trustor hereby assigns to Beneficiary the Trustor's interest in any and all leases of the Property, or any portion thereof, now or hereafter entered into by Trustor or any other party, together with all rents, issues and profits arising therefrom or in connection with the Property, or any portion thereof, and all benefits and advantages to be derived from said leases, together with all rights against guarantors, if any, to the lessee's obligations under said leases. Trustor does hereby empower Beneficiary, its agents and attorneys, to collect, sue for, settle, compromise and give acquittance for all such rents, issues and profits.

3.13 Assignment of Rents, Issues and Profits.

3.12 Lease or License. Trustor shall not lease, sublicense or license the use of the Property, or any part thereof, or assign or amend any existing leases, without the prior written consent of Beneficiary, and any such attempted lease, sublicense, license or assignment or amendment of any existing lease without such consent shall be null and void.

3.11 Liens. Trustor shall not cause or permit the filing of any mechanics', materialmen's, or other liens against the Property or any part thereof or the revenue, rents, issues, income and profits arising therefrom. If any lien shall be filed against the Property, or any part thereof, Trustor agrees to discharge the same of record within ten (10) days after the same shall have been filed.

whether public or private, affecting the Property or any portion thereof, whether or not such charges are liens thereon.

(c) If there is passed any law which renders payment by Trustor of any or all taxes levied upon this Deed of Trust or the Property or performance of any other item, covenant or condition hereof, or any obligation secured hereby, unlawful, usurious, inoperative, void or voidable, or which prohibits Beneficiary from

(b) If there is filed any petition in bankruptcy by Trustor or Trustor is adjudicated as a bankrupt or insolvent, or there is appointed a receiver or trustee to take possession of all or a substantial portion of the assets of Trustor or there is a general assignment by Trustor for the benefit of creditors, or any action is taken by or against Trustor under any state or federal insolvency or bankruptcy act, or any similar law now or hereafter in effect, including, without limitation, the filing of any petition for or in reorganization, or should the Property or any part thereof, be taken or seized under levy of execution or attachment; provided, that Trustor shall not be in default under subparagraph (b) hereof in the case of any action taken by a party adverse to Trustor, as the case may be, and not consented to by Trustor, unless the same shall continue in effect for a period of thirty (30) days.

(a) If Trustor shall abandon the Property, or any part thereof.

4.01 Events of Default. Any default in the performance of any term, covenant or condition contained herein or in any instrument or obligation secured hereby shall be a default hereunder. In addition, Trustor shall be in default hereunder:

DEFAULTS AND REMEDIES

ARTICLE IV

3.18 Additional Documents. Trustor shall execute, acknowledge and deliver to Beneficiary any and all reasonable assurances and documents, if any, as may be required to confirm or effectuate this Deed of Trust and the rights of Beneficiary hereunder.

3.17 Certificates. Trustor shall at any time, and from time to time, during the term hereof and within ten (10) days after demand therefor from the Beneficiary, execute and deliver to the Beneficiary, or any party designated by Beneficiary, a certificate in recordable form certifying the amount then due pursuant to this Deed of Trust and the obligations secured hereby, the terms of payment thereof, the dates to which payments have been paid, that this Deed of Trust and all instruments and obligations secured thereby are in full force and effect and that there are no defenses or offsets thereto, or specifying in what regards this Deed of Trust or such obligations are not in full force and effect and the nature of any defenses or offsets thereto, together with such other information as Beneficiary may request.

3.16 Books and Records. Trustor shall keep and maintain complete, accurate and customary records and books of accounts with respect to all of Trustor's business transactions and shall retain the same intact throughout the term hereof. Beneficiary shall be entitled at all reasonable times to inspect and make copies of all such records and books of account, which right of inspection and copying shall include the right to remove said records and books of account from Trustor's place of business for reasonable periods.

3.15 Financial Statements. Trustor shall furnish Beneficiary within ninety (90) days after the end of each fiscal year, and at such other times as may reasonably be required by Beneficiary, audited financial statements covering the operations of the Property for such fiscal year.

3.14 Inspections. Beneficiary may make or cause to be made reasonable entries upon and inspection of the Property.

exercising any of its rights hereunder or under any other instrument or agreement to which Trustor is a party or by which any of them is bound.

(d) If any representation, warranty, statement, certificate, schedule or report made by or on behalf of Trustor herein or in connection herewith is incorrect or misleading.

(e) If Trustor, or a shareholder in Trustor, should dissolve, liquidate or terminate.
(f) Upon the sale, transfer, assignment, mortgage, pledge, hypothecation or encumbrance, whether voluntary or involuntary, of the whole or any portion of any of Trustor's right, title or interest in and to the Property without the prior written consent of Beneficiary.

(g) If the value or priority of the security interest created hereby is materially impaired.
(h) If Beneficiary shall deem itself insecure in good faith believing that the prospect of payment or performance under this Deed of Trust or any instrument or obligation secured hereby is materially impaired.

(i) If Trustor defaults under any other obligation to or agreement with Beneficiary.
(j) If there occurs any event which results in the acceleration of the maturity of any indebtedness of Trustor to Beneficiary or others under any indenture, agreement or undertaking.

4.02 Remedies of Default. In the event of any default hereunder or in the performance of the obligations secured hereby, Beneficiary may:

(a) Cease performance of all acts required of it under the Agreement and declare all sums due thereunder immediately due and payable; and
(b) In regard to any personal property securing any obligation secured hereby:

(i) Sell said personal property hereunder;

(ii) Dispose of any part thereof in any manner now or hereafter permitted by Article 9 of the Uniform Commercial Code or in accordance with any other remedy provided by law. Both Trustor and Beneficiary shall be eligible to purchase any part or all of such property at any such disposition. Any such disposition may be either public or private as Beneficiary may so elect, subject to the provisions of the Uniform Commercial Code. Beneficiary shall give Trustor at least ten (10) days prior written notice of the time and place of any public sale or other disposition of such property or of the time at or after which any private sale or any other intended disposition is to be made, and if such notice is sent to Trustor, it shall constitute reasonable notice to Trustor.

(iii) Deal with said personal property in any manner provided by statute, law or equity.

(c) At any time without notice to Trustor apply to any court of competent jurisdiction for the appointment of a receiver and such appointment shall be made as a matter of strict right of Beneficiary without reference to any offset or defenses against said defaults. Said receiver may borrow moneys and issue certificates therefor. Said certificates shall be a lien on the property subordinate only to this Deed of Trust, provided, however, that should any of said certificates be acquired by Beneficiary,

the amount thereof shall constitute additional indebtedness secured hereby.

(d) Enter upon, take possession of, manage and operate the property or any part thereof; make repairs and alterations and do any acts which Beneficiary deems proper to protect its security hereof; and either with or without taking possession, in its own name, sue for or otherwise collect and receive rents, issues and profits, including those past due and unpaid, and apply the same less costs and expenses of operation and collection, including reasonable attorneys' fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. Upon request of Beneficiary at the time Beneficiary enters upon the property as aforesaid, Trustor shall assemble upon the premises any of the property which has been removed therefrom. The entering upon and taking possession of the property, the collection of any rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default heretofore or thereafter occurring or affect any notice of default hereunder or invalidate any act done pursuant to such notice. Notwithstanding Beneficiary's continuance in possession or receipt and application of rents, issues or profits, Beneficiary shall be entitled to exercise every right provided for in this Deed of Trust or by law upon or after the occurrence of a default, including the right to exercise the power of sale. Any of the actions referred to in this paragraph may be taken by Beneficiary at such time as Beneficiary is so entitled, without regard to the adequacy of any security for the indebtedness hereby secured.

(e) Subject to NRS 107.080, declare all sums secured hereby immediately due by delivery to Trustee of a written notice of breach and election to sell (which notice Trustee shall cause to be recorded) and shall surrender to Trustee this Deed of Trust, the Note and all documents evidencing any expenditures secured hereby. Should Beneficiary elect to foreclose by exercise of the power of sale herein contained, after three (3) months shall have elapsed following recordation of any such notice of breach, Trustee shall sell said property, or any portion thereof specified by Beneficiary, 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 trusts, having first given notice of such sale as then required by law. The place of sale may be either in the county in which the property to be sold, or any part thereof, is situated, or at any office of the Trustee located in the state of Nevada.

(f) Upon the request of Beneficiary or if required by law, Trustee may postpone sale of all, or any portion of said property or interest thereon 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.

(g) At the time of sale so fixed, Trustee may sell the property so advertised, or any part thereof or interest therein, either as a whole or in separate parcels, at its sole discretion, to the highest bidder for cash in lawful money of the United States, payable at time of sale, and shall deliver to such purchaser a deed or deeds or other appropriate instruments conveying the property so sold, but without covenant or warranty, express or implied. Beneficiary and Trustee may bid and purchase at such sale. Trustor hereby agrees, if it is then still in possession, to surrender, immediately and without demand, possession of said property to such purchaser.

(h) Trustee shall apply the proceeds of any such sale to payment of: expenses of sale, including attorneys' fees incurred by Beneficiary and all charges and expenses of Trustee and of these trusts, including costs of evidence of title and Trustee's fee in connection with sale; all sums expended under the term

hereof, not then repaid, with accrued interest at the rate provided in the Note, from and after the happening of any event of default from the date any such sums were expended until the same is paid; all other sums then secured hereby, and the remainder, if any, to the person or persons legally entitled thereto.

(f) Institute judicial proceedings for the complete or partial foreclosure of the lien of this Deed of Trust upon the Property as a mortgage.

(g) Take such steps to protect and enforce its rights whether by action, suit or proceeding in equity or at law for the specific performance of any covenant or condition in the Agreement, the Note or this Deed of Trust, or in aid of the execution of any power herein granted, or for any foreclosure hereunder, or for the enforcement of any other appropriate legal or equitable remedy or otherwise as Beneficiary shall elect.

4.03 Marshalling Assets and Designation of Sales. Neither this Deed of Trust, the existence or terms of any other security for the performance of the obligations secured hereby, nor the existence or terms of any other instrument or agreement shall be deemed to require any marshalling of assets or otherwise permit Trustor to designate the order in which any security shall be sold.

MISCELLANEOUS

ARTICLE V

5.01 Successor Trustee. Beneficiary or its assigns may, at any time, by instrument in writing, appoint a successor or successors to the Trustee named herein or acting hereunder, which instrument executed and acknowledged by Beneficiary and recorded in the office of the County Recorder in the county where the Property is located, shall be conclusive proof of the proper substitution of such successor trustee, who shall have all the estate, powers, duties and trusts in the Property vested in or conferred on the original Trustee. If there be more than one Trustee, either may act alone and execute this trust upon the request of Beneficiary and his acts shall be deemed to be acts of all Trustees, and the recital in any conveyance executed by such sole Trustee of such requests shall be conclusive evidence thereof, and of the authority of such sole Trustee to act.

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

5.03 Waiver. The waiver by Beneficiary or Trustee of any default of any of the provisions, covenants and conditions hereof on the part of the Trustor to be kept and performed shall not be a waiver of any preceding or subsequent breach of the same or any other provisions, covenants or conditions contained herein. The subsequent acceptance of any sum in payment of any indebtedness secured hereby or any other payment hereunder by Trustor to Beneficiary or Trustee shall not be construed to be a waiver of any preceding breach by Trustor of any provision, covenant or condition of this Deed of Trust other than the failure of Trustor to pay the particular sum or portion thereof so accepted, regardless of Beneficiary's or Trustee's knowledge of such preceding breach at the time of acceptance of such payment.

5.04 Actions by Beneficiary. Whenever under any provision Trust, Trustor shall be obligated to make any payment or expenditure, or to do any act or thing, or to incur any liability whatsoever, and Trustor fails, refuses or neglects to perform as herein required, Beneficiary shall be entitled, but shall not be obligated, to make any such payment or expenditure or to do any

such act or thing, or to incur any such liability, all on behalf of and at the cost and for the account of Trustor. Any such payments or expenditures shall be paid by Trustor to Beneficiary on demand and the amount of any payment or expenditure thereof shall accrue interest thereon at the rate provided in the Note, from and after the date of any such payment or expenditure until the same is paid. Without limiting the generality of the foregoing, any act or payment by Beneficiary to cure, forestall, prevent or mitigate default hereunder shall be at the sole option of Beneficiary, shall be at the cost of Trustor and shall be reimbursed to Beneficiary as above provided. Beneficiary shall not be bound to inquire into the validity of any apparent or threatened tax, assessment, adverse title, lien, encumbrance, claim or charge before making an advance to the purpose of preventing, removing or paying the same. Beneficiary shall be subrogated to all rights, equities and liens discharged by any such expenditures.

5.05 Rights of Trustee and/or Beneficiary. Without affecting the liability of Trustor or any other person, except any person expressly released in writing, for payment of any indebtedness secured hereby or for performance of any of the obligations or any of the terms, covenants and conditions hereof, and without affecting the rights of Trustee and Beneficiary with respect to any security not expressly released in writing, at any time and from time to time, without notice or consent other than consent of Beneficiary, Trustee and/or Beneficiary may:

(a) Release any person liable for payment of all or any part of the indebtedness or for the performance of any obligation;

(b) Make any agreement extending the time or otherwise altering the terms of payment of all or any part of said indebtedness or modifying or waiving any obligation or subordinat- ing, modifying or otherwise dealing with the lien or charge hereof;

(c) Exercise or refrain from exercising or waive any right either of them may have;

(d) Accept additional security of any kind; and

(e) Release or otherwise deal with any property, real or personal securing the obligations secured hereby.

5.06 Written Instructions to Trustee Regarding Property. Upon receipt of written request from Beneficiary reciting that all sums secured hereby have been paid and upon surrender of this Deed of Trust and the Note secured hereby to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey without warrant the property then held hereunder. The recitals in such reconveyance of any matters of fact shall be conclusive proof of the truth thereof. The grantee in such reconveyance may be described in general terms as "the person or persons legally entitled thereto", and Trustee is authorized to retain this Deed of Trust and said Note. Trustee may, at any time, or from time to time, without liability therefor, without notice, without affecting the personal liability of any person for payment of any indebted- ness or performance of the obligations secured thereby or without regard to the effect of this Deed of Trust upon the remainder of the property, upon written request of Beneficiary and presentation of this Deed of Trust and the Note secured hereby for endorsement: making of any map or plat thereof, join in granting any easement thereon, join in any declaration of covenants and restrictions, or join in any extension agreement or any subordination agreement in connection therewith.

5.07 Heirs and Assigns. 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.

5.08 Usury Savings. Any other provision of the Deed of Trust, the Note, the Loan Agreement or in any other agreement between Beneficiary and Trustor to the contrary notwithstanding, in no event shall the amount paid or agreed to be paid to Beneficiary as interest exceed the highest lawful rate. If, from any circumstances whatsoever, fulfillment of any provision of the Note hereof, or any other agreement shall, at the time of such performance, involve payment of interest in excess of that authorized by law, the obligation to be fulfilled shall be reduced to the limit so authorized by law, and it from any circumstance, Beneficiary shall ever receive as interest an amount which would exceed the highest lawful rate, such amount which would be excessive interest shall not be deemed interest, but shall be applied to the reduction of unpaid principal.

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

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

5.11 Invalidity of Certain Provisions. If any term, provision, covenant or condition of this Deed of Trust, or any application thereof, should be held by a court of competent jurisdiction to be invalid, void or unenforceable, all provisions, covenants and conditions of this Deed of Trust and all applications thereof, not held invalid, void or unenforceable, shall continue in full force and effect and shall in no way be affected, impaired or invalidated thereby.

5.12 Governing Law. The laws of the State of Nevada shall govern the validity, construction, performance and effect of this Deed of Trust.

5.13 Joint and Several Liability. In the event that Trustor shall hereafter consist of more than one (1) person, firm or corporation, then and in such event all of such persons, firms or corporations shall be jointly and severally liable hereunder.

5.14 Rights Cumulative. The various rights, options, elections and remedies of Beneficiary and Trustee hereunder shall be cumulative and no one of them shall be construed as exclusive of any other, or any right, option, election or remedy provided in any agreement or by law.

5.15 Intent. This Deed of Trust shall be construed in accordance with its intent and without regard to any presumption or other rule requiring construction against the party causing the same to be drafted.

5.16 Covenants of NRS 107.030. Where not inconsistent with the above, the following covenants, Nos. 1, 2 (full replacement value), 3, 4 (eighteen percent (18%), 5, 6, 7 (a reasonable percentage), 8 and 9 of NRS 107.030 are hereby adopted and made a part of this Deed of Trust.

5.17 Captions. The captions or headings at the beginning of each section hereof are for the convenience of the parties and are not part of this Deed of Trust.

IN WITNESS WHEREOF, Borrower hereto has caused this Deed of

Trust to be executed and delivered on the day and year first above written.

Signed, sealed and delivered in the presence of:

RUBY HILLS ASSOCIATES, a Nevada limited partnership

Delwood D. Carter

BY: James L. Gregory
James L. Gregory

Delwood D. Carter

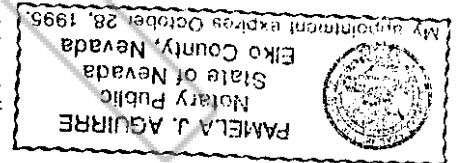
BY: Holly Borders Gregory
Holly Borders Gregory

[Signature]

General Partners

STATE OF Nevada
COUNTY OF Elko

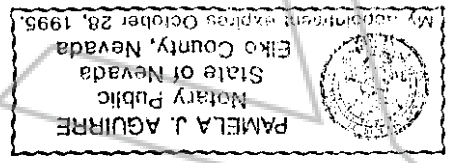
On this 30th day of December, 1994, personally appeared before me, JAMES L. GREGORY, as General Partner of RUBY HILLS ASSOCIATES, a Nevada limited partnership, who is authorized to execute on behalf of said limited partnership; who further acknowledged to me that he executed the foregoing instrument for the uses and purposes therein mentioned.



Notary Public - State of Nevada

STATE OF Nevada
COUNTY OF Elko

On this 30th day of December, 1994, personally appeared before me, HOLLY BORDERS GREGORY, as General Partner of RUBY HILLS ASSOCIATES, a Nevada limited partnership, who is authorized to execute on behalf of said limited partnership; who further acknowledged to me that she executed the foregoing instrument for the uses and purposes therein mentioned.



Notary Public - State of Nevada

My Commission Expires:

The land referred to herein is situated in the State of Nevada, County of EUREKA, City of EUREKA, described as follows:

PARCEL 1:

All of Block 43 as shown on the official map of the TOWNSITE OF EUREKA, on file in the office of the County Recorder, Eureka County, Nevada.

PARCEL 2:

All of Block 44 as shown on the official map or plat of the TOWNSITE OF EUREKA, on file in the office of the County Recorder, Eureka County, Nevada.

PARCEL 3:

That portion of Silver Street lying between Adams Street and Monroe Street and adjacent to Blocks 43 and 44 in the TOWN OF EUREKA, vacated by that certain Resolution recorded September 21, 1994, in Book 275, Page 293, Official Records, Eureka County, Nevada.



BOOK 279 PAGE 316
OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
Jim Morgan
94 DEC 30 PM 3: 54

EUREKA COUNTY, NEVADA
M.N. REDEVELOPMENT RECORDS
FEE \$ 21.00
FILE NO.

156265