

THIS DEED OF TRUST made this 1st day of July, 19 74,

by and between John Chiero and Elke Chiero, his wife as Trustor,

and Lawyers Title Insurance Corporation a corporation duly organized and existing under and

by virtue of the laws of the State of Virginia as Trustee, and FIRST NATIONAL BANK OF NEVADA, Reno, Nevada, a National Banking Association organized and existing under and by virtue of the laws of the United States of America, as Beneficiary. (It is distinctly understood that the word "Trustor" and the word "his" referring to the Trustor, as herein used, are intended to and do include the masculine, feminine and neuter genders and the singular and plural numbers, as indicated by the context.)

WITNESSETH: That said Trustor hereby grants, conveys and confirms unto said Trustee in trust with power of sale, the fol-

lowing described real property situate in the _____, County of Douglas, State of Nevada, to-wit:

Lot 162 of Skyland Subdivision No. 3, as shown on the Official Plat filed in the office of the County Recorder of Douglas County, Nevada, on February 24, 1960.

TOGETHER with Trustor's interest as lessor in and to all leases of said premises, or any part thereof, heretofore made and entered into, and in and to all leases hereafter made and entered into by Trustor during the life of this deed of trust or any extension or renewal hereof, reserving to Trustor his statutory rights therein; provided and hereby intending that in case of foreclosure sale the lessor's interest in any such leases then in force shall, upon expiration of Trustor's rights hereunder, pass to the purchaser at such sale as a part of the premises hereby conveyed, subject to election by said purchaser to terminate or enforce any of such leases hereafter made.

TOGETHER with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in any wise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, subject, however, to the right, power and authority hereinafter given to and conferred upon the Beneficiary to collect and apply such rents, issues and profits; and also all water and water rights used in connection therewith, all shares of stock evidencing the same, pumping stations, engines, machinery, pipes and ditches; and also all the estate, right, title and interest, homestead or other claim or demand, as well in law as in equity, which the Trustor now has or hereafter may acquire of, in, and to the said premises, or any part thereof, with the appurtenances.

TO HAVE AND TO HOLD the same unto the said Trustee and its successors, upon the trusts hereinafter expressed, namely:

As security for the payment of (a) Forty eight thousand eight hundred and no/100-----

-----Dollars (\$ 48,800.00) in lawful money of the United States of America, with interest thereon in like lawful money and with expenses and counsel fees according to the terms of the promissory note or notes for said sum executed and delivered by the Trustor to the Beneficiary; (b) such additional amounts as may be hereafter loaned by the Beneficiary or its successor to the Trustor, or any of them, or any successor in interest of the Trustor, with interest thereon, and any other indebtedness or obligation of the Trustor, or any of them, and any present or future demands of any kind or nature which the Beneficiary, or its successor, may have against the Trustor, or any of them, whether created directly or acquired by assignment; 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; 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 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.

AND THIS INDENTURE FURTHER WITNESSETH:

FIRST: The Trustor promises to properly care for and keep the property herein described in first class condition, order and repair; to care for, protect and repair all buildings and improvements situate thereon; not to remove or demolish any buildings or other improvements situate thereon; to restore any uninsured building or improvement damaged or destroyed thereon; to complete in a good workmanlike manner any building or other improvement which may be constructed thereon, and to pay, when due, all claims for labor performed and for materials furnished therefor; to underpin and support, when necessary, any building or other improvement situate thereon, and otherwise to protect and preserve the same; to comply with all laws, ordinances and regulations with reference to any alterations or improvements made thereon; not to commit or permit any waste or deterioration of said buildings and improvements or of said premises; to keep insured all buildings and improvements on said property against loss or damage by fire and such other casualties as may be designated by the Beneficiary, in an amount not less than the sum due the Beneficiary, or for their insurable value, whichever is lower, in some insurance company or companies to be approved by the Beneficiary, the policies of which insurance shall be payable in case of loss to the Beneficiary and shall be delivered to and held by it as security, which said delivery shall constitute an assignment by Trustor to Beneficiary of all rights under the policy, including any return premium; to pay, when due, all taxes, assessments and levies affecting said property (including assessments on appurtenant water stock) and any costs or penalties thereon; to pay, when due, all mortgages, deeds of trust and other encumbrances which are or appear to be a lien or a charge upon the property, or any part thereof, prior to this deed of trust. If the above described property is farm land, Trustor agrees to farm, cultivate, and irrigate said premises in a proper, approved and husbandmanlike manner; to keep said premises free from weeds, Bermuda and Johnson grasses; to keep all vineyards, and orchards, and crops, now or hereafter planted on said premises, properly cultivated, irrigated, fertilized, pruned, sprayed and fumigated; to replace all dead or unproductive vines or trees with new ones; to keep all buildings, fences, ditches, canals, wells and any and all other farming improvements on said premises in first class condition, order and repair.

Trustor hereby represents that there is no assignment or pledge of any leases of, or rentals or income from, said premises now in effect, and covenants that, until said indebtedness is fully paid, he will not make any such assignment or pledge to anyone other than Beneficiary and will not, without the prior written approval of Beneficiary, consent to a cancellation of any of said leases having at the time an unexpired term of more than two years, or to a release or reduction of the liability of any lessee under such a lease.

The Trustor promises that together with and in addition to the monthly payments of principal and interest payable under the terms of the note secured hereby that the Trustor may be required to pay to the Beneficiary at the option of the Beneficiary each month until the said note is fully paid, the following sums:

- a. A sum equal to the ground rents, if any, and the taxes and special assessments next due on the premises covered by this Deed of Trust plus the premium that will next become due and payable on policies of fire and other hazard insurance on the premises covered hereby (all as estimated by the Beneficiary) less all sums already paid therefore, divided by the number of months to elapse before one month prior to the date when such ground rents, premiums, taxes and assessments will become delinquent. Such sums to be held by the Beneficiary in trust to pay said ground rents, premiums, taxes and special assessments before the same become delinquent; and

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b. All the payments mentioned in the above sub-section of this paragraph, and all payments to be made under the note secured hereby shall be added together and the aggregate amount thereof shall be paid by the Trustor each month in a single payment to be applied by the Beneficiary to the following items in order set forth;

- (1) Ground rents, taxes, special assessments, fire and other hazard insurance premiums.
- (2) Interest on the note secured hereby.
- (3) Amortization of the principal of said note.

All deficiency in the amount of any such aggregate monthly payment shall, unless made good by the Trustor prior to the due date of the next such payment, constitute an event of default under this Deed of Trust. Beneficiary may collect a "late charge" not to exceed two cents (2¢) for each dollar (\$1) of each payment more than fifteen (15) days in arrears to cover the extra expense involved in handling delinquent payments.

If the Trustor fails to make any payment or perform any act which he is obligated to make or perform hereby, then the Trustee, or Beneficiary, at the election of either of them, without demand or notice to the Trustor, or any successor in interest of the Trustor, or any of them, may make such payment or perform such act and incur any liability, or expend whatever amounts, in its absolute discretion, it may deem necessary therefor. All sums incurred or expended by the Trustee, or Beneficiary, under the terms hereof, shall become immediately due and payable by the Trustor to the Trustee, or Beneficiary, when so incurred or expended, and shall bear interest until paid at the annual percentage rate of 12% and shall be secured hereby.

SECOND: The Trustor promises to appear and defend any action or proceeding purporting to affect the interest of the Beneficiary hereunder, or the said property, or any part thereof, or the rights, powers and duties of the Trustee hereunder; and the Trustee or Beneficiary may likewise appear in and defend any such action or proceedings and take such action therein as either of them may be advised; and all costs and expenses, including costs of evidence of title, and reasonable attorney fees incurred or expended by the Beneficiary or Trustee in such action or proceeding, shall become immediately due from the Trustor to the Beneficiary or Trustee when so incurred or expended, and shall bear interest until paid at the annual percentage rate of 10% and shall be secured hereby.

In the event that any action or proceeding is brought to exercise the right of eminent domain on said property, or any part thereof, the Trustor agrees to pay to the Beneficiary all sums received by him as compensation or damages for the condemnation of said property, or any part thereof, and said sum shall be applicable to the payment of the indebtedness secured hereby, whether due or not.

THIRD: As additional security, Trustor hereby gives to and confers upon the Beneficiary the right, power and authority during the continuance of these trusts to collect the rents, issues and profits of said property or of any personal property located thereon, with or without taking possession of the property affected hereby, reserving unto the Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby, or in the performance of any agreement hereunder, to collect and retain such rents, issues and profits as they may accrue and become payable.

FOURTH: The Trustee or Beneficiary may enter the premises and inspect the same at any time during the existence of the trust hereby created, and in case default be made in the payment of any sum secured hereby, or in the performance of any act the performance of which is secured hereby, the Trustee shall be entitled at any time, at its option, either by itself or by a Receiver to be appointed by a court therefor, to enter upon and take possession of the above-granted premises, or any part thereof, and to do and perform such acts of repair, cultivation, protection or irrigation as may be necessary or proper to conserve the value thereof; to rent or lease the same or any part thereof for such rental, term and upon such conditions as its judgment may dictate, and to collect and receive the rents, issues and profits thereof; also to prepare for harvest, harvest, remove and sell any crops that may be growing upon said premises (which rents, issues, profits and crops, present and future, are hereby assigned to the Trustee as further security, but which assignment Trustee agrees not to enforce so long as Trustor is not in default in payment of any sum or performance of any act to be made or performed hereunder, provided that in no event shall the Trustor collect any of said rents, issues and profits prior to accrual), and apply such rents, issues and profits, or the proceeds of the sale of any of said crops, in the manner hereinafter specified in respect of proceeds of sale of said premises, and also to do any other act or acts, as it may deem necessary or proper, in the use, management or operation of the said premises, or to protect or conserve the value thereof, the specific enumerations herein not excluding the general; and in the event that the Trustee shall exercise the option in this paragraph granted, the Trustor agrees to surrender to the Trustee peaceable possession of said premises, and not to interfere in any manner with the exercise of the rights in this paragraph granted; and the expenses therein incurred, including compensation to said Trustee and Receiver, and attorney fees and costs and disbursements, shall be deemed to be a portion of the expense of this trust, and secured hereby. Trustor also assigns to Trustee, as further security for the performance of the obligations secured hereby, all prepaid rents and all monies which have been or may hereafter be deposited with said Trustor by any lessee of the premises hereinbefore described, to secure the payment of any rent, and upon default in the performance of any of the provisions hereof Trustor agrees to deliver said rents and deposits to the Trustee.

FIFTH: The Beneficiary may without notice to or consent of Trustor extend the time of the payment of any indebtedness secured hereby to any successor in interest of the Trustor without discharging the Trustor from liability thereon. If the Trustor shall sell, convey or alienate said property, or any part thereof, or shall enter into any agreement for the same, or any interest therein, or shall be divested of his title in any manner or way, whether voluntary or involuntary, any indebtedness or obligation secured hereby, irrespective of the maturity dates expressed in any note evidencing the same, at the option of the holder hereof, and without demand or notice, shall immediately become due and payable. At any time, or from time to time, without liability therefor and without notice, upon written request of the Beneficiary and without affecting the personal liability of any person for the payment of the indebtedness secured hereby, or the effect of this deed of trust upon the remainder of the said property, Trustee may: reconvey any part of said property; consent to the making of any map or plat thereof; join in granting any easement thereon, or join in any extension agreement, or any agreement subordinating the lien or charge hereof. Acceptance by Beneficiary of any sum in payment of any indebtedness secured hereby, after the date when the same is due, or after the filing of breach and election to sell, shall not constitute a waiver of the right either to require prompt payment when due of all other sums so secured, or to declare default as herein provided for failure so to pay, or to proceed with the sale under any such notice of breach and election to sell, for any unpaid balance of said indebtedness. If the Beneficiary holds any additional security for any obligation secured hereby, it may enforce the sale thereof, at its option, either before or after a sale is made hereunder. In the event the Trustor sells or otherwise disposes of the property the subject hereof and Beneficiary does not accelerate the indebtedness secured hereby, the new owner shall assume all the obligations of this deed of trust and the obligations which it secures and Beneficiary shall be entitled to make a charge of

\$ 100.00 in this connection. If the property the subject hereof is, during the term of this trust, included within the boundaries of any special or general improvement district, so that the assessments therefor are or would be superior in right to this deed of trust, then irrespective of the maturity dates expressed in any note evidencing the same, at the option of the holder hereof, and without demand or notice, shall immediately become due and payable.

The Trustee or Beneficiary may at any time commence and maintain an action in any court of competent jurisdiction and obtain the aid and direction of said court in the execution by it of the trusts, or any of them herein expressed or contained, and may, in such action, obtain orders or decrees, interlocutory or final, of said court, directing the execution of said trusts, and directing, confirming or approving its acts or any of them, or any sales or conveyances made or to be made by it, adjudging the validity thereof and further determining any deficiency on the part of the Trustor remaining after such sale, and directing that the purchasers of the land and premises sold be put into immediate possession thereof, and providing for orders of court or other process, requiring the sheriff of the county in which said lands and premises are situate to place and maintain the said purchasers in quiet and peaceable possession of the lands and premises so purchased by them. In the event of default hereunder the Trustee may, at its option, bring an action in any court of competent jurisdiction to foreclose this instrument as a mortgage, or to enforce any of the covenants hereof. The Beneficiary may also bring an action to enforce the payment of any note or indebtedness secured hereby, without causing the Trustee to sell the property as herein provided, the said Trustor hereby waiving any provision of law requiring that the security conveyed by the Trustor to the Trustee herein be sold prior to the commencement of any such action. The rights and remedies hereby granted shall not exclude any other rights or remedies granted herein, or by law, and all rights and remedies granted hereunder, or permitted by law, shall be, concurrent and cumulative. In any action brought pursuant to the provisions hereof, the plaintiff shall be entitled to a reasonable sum, to be fixed by the court as attorney fees expended by the plaintiff in the prosecution of said action.

SIXTH: Upon payment of all sums secured hereby, the Trustee shall reconvey, without warranty, the estate vested in it hereby, and the grantee in said reconveyance may be described in general terms as "the person or persons legally entitled thereto". The recitals in any full or partial reconveyance shall be conclusive proof against all persons of the truthfulness thereof. All reconveyances shall be at the cost of the grantee.

SEVENTH: If breach or default be made in the prompt payment, when due, of any sum secured hereby, or in the performance of any promise contained herein, or contained in any conveyance under which said Trustor claims or derives title, then and at any time thereafter the Beneficiary hereunder may declare all sums secured hereby immediately due and payable, without demand or notice; and the Beneficiary or Trustee shall record in the office of the County Recorder of the county or counties wherein said property or any part thereof is situated, a notice of such breach or default and election to cause the said property to be sold to satisfy the indebtedness and obligations secured hereby, as provided by the laws of the State of Nevada with reference to the foreclosure of deeds of trust.

On application of the Beneficiary, and after at least three months shall have elapsed following the recordation of said notice of breach of default, the Trustee shall give notice of the time and place of sale in the manner and for a time not less than that required by law for the sale or sales of real property under execution, and without demand on separate parcels, and in such order as it may determine, at public auction, to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement, and without further notice it may make such sale at the time to which the same shall be so postponed. Trustee shall deliver to the purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recital in any such deed of any matters or facts stated either specifically or in general terms, or as conclusions of law or fact, shall be conclusive proof of the truthfulness thereof, and such deed shall be conclusive against all persons as to all matters or facts therein recited. Any persons, including Trustor, Trustee or Beneficiary, may purchase at such sale. Trustor hereby agrees to surrender immediately and without demand, possession of said property to any purchaser at any sale held hereunder. In the conduct of any such sale the Trustee may act itself, or through any auctioneer, agent or attorney. In addition to the indebtedness and other obligations secured hereby, the Trustor hereby agrees to pay the expenses of such sale and of this trust, and compensation of the Trustee in an amount equal to one percent (1%) of the amount secured hereby and remaining unpaid, but in no event less than Twenty-five Dollars (\$25.00), and counsel fees in an amount equal to five per cent (5%) of the amount remaining unpaid and secured hereby, but in no event less than One Hundred Dollars (\$100.00), and also such sums, if any, as Trustee or Beneficiary shall have paid for procuring an abstract of title or search of or certificate or report as to the title of said premises or any part thereof subsequent to the execution of this instrument, all of which sums shall be secured hereby and become due upon any default hereunder made by the Trustor. The Trustee shall apply the proceeds of any sale held hereunder to the satisfaction of the sums secured hereby, in such order and to such extent as the Beneficiary, in the exercise of its absolute discretion, may direct. Any surplus in the hands of the Trustee after the payment of all sums secured hereby, shall be paid to the person or persons legally entitled thereto on the proof of such right.

EIGHTH: Any Trustor who is a married woman hereby expressly agrees that recourse may be had against her separate property for any deficiency after the sale of the property hereunder.

NINTH: The Beneficiary shall not by any act or omission be deemed to waive any of its rights or remedies hereunder unless such waiver be in writing; and a waiver of one event shall not be construed as continuing or as a bar to or waiver of such right or remedy on a subsequent event.

TENTH: Said Trustor hereby agrees that whenever said Beneficiary or Trustee shall record said notice of breach or default and of election of Beneficiary to sell or cause to be sold said property, or whenever said Trustee shall give notice of sale of said property as herein provided, said recordation of notice of breach of default, or publication of notice of sale, shall ipso facto, so far as regards the indebtedness hereby secured and this instrument, extend any and all statutes limiting the time for the commencement of actions to enforce the payment of the sums secured hereby or any part thereof, which are now or which may hereafter be in force or effect, until thirty (30) days after the Trustee hereunder shall have completed a sale of said premises and shall have executed and delivered to the purchaser a deed of said premises, and said Trustor hereby expressly waives the right to plead any such statute or statutes of limitation in any action or proceeding to which the Trustor may be a party, provided said action is brought within the time herein provided.

Trustor further agrees that the Beneficiary may from time to time, and for periods not exceeding one (1) year, in behalf of the Trustor, renew or extend any promissory note secured hereby, and said renewal or extension shall be conclusively deemed to have been made when so endorsed on said promissory note or notes by the Beneficiary in behalf of the Trustor.

ELEVENTH: The Beneficiary may, at any time, by instrument in writing, appoint a successor or successors to, or discharge and appoint a new Trustee in the place of, any Trustee named herein or acting hereunder, which instrument, executed and acknowledged by Beneficiary, and recorded in the office of the County Recorder of the county or counties wherein said property is situated, shall be conclusive proof of the proper substitution of such successor or successors or new Trustee, who shall have all the estate powers, duties, rights and privileges of the predecessor Trustee.

TWELFTH: It is expressly agreed that the trusts created hereby are irrevocable by the Trustor.

THIRTEENTH: All the provisions of this instrument shall inure to and bind the heirs, devisees, legal representatives, successors and assigns of each party hereto, respectively. All obligations of each Trustor hereunder are joint and several. The rights or remedies granted hereunder or by law shall not be exclusive but shall be concurrent and cumulative.

FOURTEENTH: In the event of any tax or assessment on the interest under this deed of trust, it will be deemed that such taxes or assessments are upon the interest of the Trustor, who agrees to pay such taxes or assessments although the same may be assessed against the Beneficiary of Trustee.

FIFTEENTH: Prepayment Penalty:

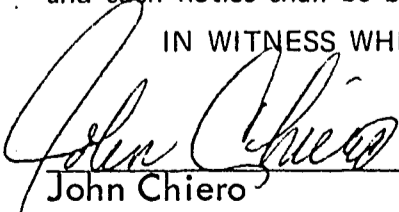
no penalty

SIXTEENTH:


SEVENTEENTH: In the event of a default in the performance or payment under this deed of trust or the security for which this deed of trust has been executed, any notice given under Section 107.080 N.R.S. shall be given by registered letter to the

Trustor(s), addressed to Mr. & Mrs. John Chiero Box C Stateline, Nevada 89449 and such notice shall be binding upon the Trustor(s), assignee(s), or grantee(s) from the Trustor(s).

IN WITNESS WHEREOF, the Trustor has executed these presents the day and year first above written.



John Chiero
Box C Stateline, Nev. 89449
(Trustor's Address)



Elke Chiero
Box C Stateline, Nevada 89449
(Trustor's Address)

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(Trustor's Address)

(Trustor's Address)

State of Nevada

County of _____ } SS.

(CORPORATE FORM OF ACKNOWLEDGMENT)

On this _____ day of _____, in the year A.D. nineteen hundred and _____, before me, _____

a Notary Public in and for said County of _____, State of Nevada, personally appeared _____

_____ , known to me to be

_____ of the corporation that executed the foregoing instrument, and upon oath, did depose that he is the officer of said corporation as above designated; that the signatures to said instrument were made by officers of said corporation as indicated after said signatures; and that the said corporation executed the said instrument freely and voluntarily and for the uses and purposes therein mentioned.

Notary

INDIVIDUAL ACKNOWLEDGMENT

State of Nevada } SS.
County of Douglas

On July 1, 1974 personally appeared before me, a notary public, John Chiero

who acknowledged that he executed the within instrument.

DOUGLAS COUNTY
JOHN H. VAIT
NOTARY PUBLIC - STATE OF NEVADA
MY COMMISSION EXPIRES MARCH 8, 1978

State of Nevada } SS.
County of Douglas

On July 1, 1974 personally appeared before me, a notary public, Elke Chiero

who acknowledged that she executed the within instrument.

DOUGLAS COUNTY
JOHN H. VAIT
NOTARY PUBLIC - STATE OF NEVADA
MY COMMISSION EXPIRES MARCH 8, 1978

Deed of Trust
and Assignment of Rent

John Chiero

Elke Chiero

Trustor.

-TO-
Lawyers Title Insurance Corporation

Trustee.

-FOR-

FIRST NATIONAL BANK OF NEVADA
RENO, NEVADA

Beneficiary.

A.D., 19

Filed for record at the request of
FIRST NATIONAL BANK OF NEVADA
RENO, NEVADA

Office

A.D., 19

at _____ Min. past _____ o'clock

_____ M., in Vol. _____ of

Page _____ and following, Records of

_____ County, Nevada.

County Recorder.

Deputy Recorder.

N-131 2-72

WHEN RECORDED MAIL TO

South Lake Tahoe Office

FIRST NATIONAL BANK OF NEVADA
RENO, NEVADA

Box 130

Stateline, Nevada 89449
(Address of Office)

Recorded at Request of
On JUL 11 1974 At 35 Min. Past 2A.M
Official Records of Douglas County, Nevada. Fee 6.00

LAWYERS TITLE INS. CORP.

Patricia J. Stanley, Recorder.

By [Signature]

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