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DEED OF TRUST

THIS DEED OF TRUST, made this 17th day of by and between DAN E. PATERSON and CARLA C. PATERSON, husband and wife as joint tenants with right of survivorship, Trustors, and LAWYERS TITLE INSURANCE CORPORATION, a Virginia Corporation, Trustee, for THE RUHENSTROTH COMPANY, a Partnership, Beneficiary,

WITNESSETH:

That Trustors do hereby grant, bargain, sell, convey and confirm unto Trustee in trust with power of sale, all that certain real property situate in the County of Douglas, State of Nevada, more particularly described as follows, to-wit:

Lot 30, as shown on the official map of RUHENSTROTH RANCHOS SUBDIVISION, filed of record in the office of the County Recorder of Douglas County, Nevada, on April 14, 1965, as Document No. 27706.

AND, ALSO ALL the estate, interest, homestead or other claim, as well in law as in equity, which said Trustors now have or may hereafter acquire in and to said property, together with all easements and rights of way used in connection therewith or as a means of access thereto, and all and singular the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof.

TO HAVE AND TO HOLD the same unto the said Trustee and its successors, for the purpose of securing: TWENTY FIVE THOUSAND SEVEN HUNDRED TWELVE AND 50/100 (\$25,712.50) DOLLARS, evidenced by a promissory note of even date herewith, with interest thereon, according to the terms of the note by reference is hereby made a part hereof, executed by Trustors and delivered to Beneficiary, and any and all extensions or renewals thereon, as may be hereafter loaned by Beneficiary to Trustors when evidenced by the promissory note or notes of Trustors; payments of all other sums with interest thereon becoming due and payable under the provisions CARSON CITY OFFICE
303 EAST PROCTOR STREET
CARSON CITY, NEVADA 89701
TELEPHONE (702) 832-4577

hereof to either Trustee or to Beneficiary, and the performance and discharge of each and every obligation, covenant and agreement of Trustors herein contained.

AND THIS INDENTURE FURTHER WITNESSETH:

FIRST: Trustors promise and agree to pay when due all claims for labor performed and materials furnished for any construction, alteration or repair upon the above described premises; to comply with all laws affecting said property or relating to any alterations or improvements that may be made thereon; not to commit or permit waste thereon; not to commit, suffer or permit any acts upon restriction affecting said property.

SECOND: Trustors agree to provide, maintain and deliver to Beneficiary fire, and if required, other insurance, including extended coverage, insuring any and all improvements upon said premises in a company satisfactory to and with loss payable to Beneficiary and Trustors, as their respective interests may appear, and in default thereof Beneficiary may procure such insurance and may pay and expend for premiums for such insurance such sums of money as Beneficiary may deem necessary.

THIRD: The following covenants Nos. 1, 3, 4 (interest 10%), 5, 6, 7 (counsel fees 10%), 8 and 9 of Nevada Revised Statutes 107.030 are hereby adopted and made a part of this Deed of Trust.

FOURTH: Trustors agree to pay any deficiency arising from any cause after application of the proceeds of the sale held in accordance with the provisions of the covenants hereinabove adopted by reference.

FIFTH: The rights and remedies hereby granted shall not exclude any other rights or remedies granted by law, and shall be concurrent and cumulative.

SIXTH: All the provisions of this instrument shall inure to, apply to and bind the heirs, executors, successors and assigns of the said Beneficiary, and shall inure to, apply to and bind

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the legal representatives, successors and assigns of the other parties hereto, respectively. Whenever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all other genders.

Trustors hereby assign to the Trustee any and all rents of the above described premises and hereby authorize Trustee without waiving or affecting the right of foreclosure or any other right hereunder, to take possession of the premises at any time after there is a default in the payments of said debt, or in the performance of any of the obligations herein contained, and to rent the premises for the account of Trustors.

It is hereby expressly agreed that the trust created EIGHTH: hereby is irrevocable by Trustors.

Trustee is hereby authorized to execute and deliver NINTH: deeds of partial reconveyance at the request of Trustors, which deeds of partial reconveyance may release one (1) acre for each sum of \$3,025.00 that shall be paid to Trustee for the benefit of Beneficiary in reduction of the principal obligation hereby secured, provided that all interest to date of such payment on the then balance of the principal shall be fully paid. Each parcel released shall be contiguous to all prior releases and access to all parcels shall be granted and reserved and minimum building site requirements maintained in accordance with the minimum requirements of the County of Douglas, State of Nevada, as well as any other affected public agencies. All costs of such releases shall be paid by Trustors.

This Deed of Trust is executed by Trustors and accepted by Beneficiary with the understanding and upon the express condition that if Trustors should make default in the performance of any of the covenants and agreements herein set forth, then and in that event the full amount of principal indebtedness secured hereby shall forthwith be and become wholly due and payable, not-

ROUND HILL ATTORNEYS AT LAW

CITY, NEVADA 8970

CARSON CITY, NEVADA 897 TELEPHONE (702) 882-457

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COVE, NEVADA 89448 ONE (702) 588-6676

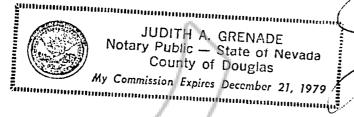
withstanding the fact that same would not otherwise be due according to the terms of the promissory note secured hereby and, further, that the relationship of landlord and tenant shall exist as between the purchaser of the real property covered hereby upon foreclosure proceedings, and Trustors and their successors in interest may be removed therefrom by unlawful detainer proceedings in the event possession of said real property shall not be voluntarily surrendered to such purchaser.

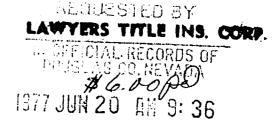
STATE OF NEVADA

County of Douglas

On this 17th day of 1977, personally appeared before me, a Notary Public, DAN E. PATERSON and CARLA C. PATERSON, husband and wife, who acknowledged that they executed the foregoing instrument, freely and voluntarily and for the uses and purposes therein mentioned.

WITNESS my hand and official seal.





PATRICIA J. WILLIAMS

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