

Order # 4536

WHEN RECORDED MAIL TO
Please Return to
First Federal Savings and Loan
Association of Nevada
SIERRA OFFICE
195 So. Sierra - P. O. Box 11070
Reno, Nevada 89510

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**DEED OF TRUST
AND ASSIGNMENT OF RENTS**
(Commercial)

THIS DEED OF TRUST is made this 24th day of December, 19 80, among the
Grantor, W. F. MCCREARY and MARILYN E. MCCREARY, husband and wife as joint tenants

FIRST FINANCIAL SERVICE CORPORATION, a Nevada Corporation (herein "Borrower"),
(herein "Trustee"),
and the Beneficiary, First Federal Savings and Loan Association of Nevada, a corporation created and
existing under and by virtue of the Laws of the United States of America, having its principal place of
business in the City of Reno, County of Washoe, State of Nevada (herein "Lender").

BORROWER, in consideration of the indebtedness herein recited and the trust herein created, irrevocably
grants, conveys and assigns to Trustee, in trust, with power of sale, [the leasehold estate pursuant to a lease
(herein "ground lease") dated - - - - -, between - - - - -

- - - - - and - - - - -
- - - - - recorded in - - - - -
- - - - - in and to*] the following described
property located in the County of Douglas, State of Nevada:

All that certain lot, piece or parcel of land situate in the County
of Douglas, State of Nevada, described as follows:

Unit 1, as set forth on that map entitled Condominium Map Lake Village
Professional Building, recorded June 1, 1979, in Book 679 of Official
Records, at Page 83, Douglas County, Nevada.

Together with an undivided 14.75% interest in the common area, as set
forth by that document recorded April 30, 1980, in Book 480 of
Official Records, at Page 1788, Douglas County, Nevada.

Subject to Covenants, Conditions, Restrictions, Reservation of EASEMENT
and By-Laws of the Lake Village Professional Building Owners Association
recorded on April 30, 1980, in Book 480 of Official Records, at Page
1788, Douglas County, Nevada.

TOGETHER with all buildings, improvements and tenements now or hereafter erected on the property, and
all heretofore or hereafter vacated alleys and streets abutting the property, and all easements, rights, appurtenances,
rents (subject however to the assignment of rents to Lender herein), royalties, mineral, oil and gas
rights and profits, water, water rights, and water stock appurtenant to the property, and all fixtures, machinery,
equipment, building materials, appliances and goods of every nature whatsoever now or hereafter located in,
or on, or used, or intended to be used in connection with the property, including, but not limited to, those for
the purposes of supplying or distributing heating, cooling, electricity, gas, water, air and light; and all elevators,
and related machinery and equipment, plumbing, bath tubs, water heaters, water closets, sinks, ranges, stoves,
refrigerators, dishwashers, disposals, washers, dryers, awnings, storm windows, storm doors, screens, blinds,
shades, curtains, rugs, attached floor coverings, furniture, antennas, trees and plants; all of which, including

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replacements and additions thereto, shall be deemed to be and remain a part of the real property covered by this Deed of Trust; and all of the foregoing, together with said property (or the leasehold estate in the event this Deed of Trust is on a leasehold) are herein referred to as the "Property".

To SECURE to Lender (a) the repayment of the indebtedness evidenced by Borrower's note of even date herewith (herein "Note"), in the principal sum of ONE HUNDRED FORTY FOUR THOUSAND NINE HUNDRED AND NO/100 ~~(\$144,900.00)~~ Dollars, with interest thereon, with the balance of the indebtedness, if not sooner paid, due and payable on January 2006, and all renewals, extensions and modifications thereof; (b) the performance of the covenants and agreements of Borrower contained in a Construction Loan Agreement between Lender and Borrower dated n/a, 19 , (herein "Loan Agreement"), if any, as provided in paragraph 24 hereof; (c) the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Deed of Trust; and (d) the performance of the covenants and agreements of Borrower herein contained.

Borrower covenants that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant, convey and assign the Property (and, if this Deed of Trust is on a leasehold, that the ground lease is in full force and effect without modification except as noted above and without default on the part of either lessor or lessee thereunder), that the Property is unencumbered, and that Borrower will warrant and defend generally the title to the Property against all claims and demands, subject to any easements and restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Lender's interest in the Property.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

Payment of Principal and Interest 1. Borrower shall promptly pay when due the principal of and interest on the indebtedness evidenced by the Note, and prepayment and late charges as provided in the Note.

Funds for Taxes and Insurance 2. Subject to Lender's option under paragraphs 4 and 5 hereof, Borrower shall pay to Lender on the day monthly installments of principal and interest are payable under the Note, until the Note is paid in full, a sum (herein "Funds") equal to one-twelfth of (a) the yearly water and sewer rates and taxes and assessments which may be levied on the Property, (b) the yearly ground rents, if any, (c) the yearly premium installments for fire and other hazard insurance, rent loss insurance and such other insurance covering the Property as Lender may require pursuant to paragraph 5 hereof, (d) the yearly premium installments for mortgage insurance, if any, and (e) if this Deed of Trust is on a leasehold, the yearly fixed rents, if any, under the ground lease, all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof. The Funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a Federal or state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay said rates, rents, taxes, assessments and insurance premiums. Lender shall make no charge for so holding and applying the Funds or for verifying and compiling said assessments and bills. Borrower and Lender may agree in writing at the time of execution of this Deed of Trust that interest on the Funds shall be paid to Borrower, and unless such agreement is made, Lender shall not be required to pay Borrower any interest on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for the sums secured by this Deed of Trust.

If the amount of the Funds held by Lender at the time of the annual accounting thereof shall exceed the amount deemed necessary by Lender to provide for the payment of water and sewer rates, taxes, assessments, insurance premiums and rents, as they fall due, such excess shall be credited to Borrower on the next monthly installment of Funds due. If at any time the amount of the Funds held by Lender shall be less than the amount deemed necessary by Lender to pay water and sewer rates, taxes, assessments, insurance premiums and rents as they fall due, Borrower shall pay to Lender any amount necessary to make up the deficiency within thirty days after notice from Lender to Borrower requesting payment thereof.

Upon payment in full of all sums secured by this Deed of Trust, Lender shall promptly refund to Borrower any Funds held by Lender.

If under paragraph 25 hereof the Property is sold or the Property is otherwise acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of application as a credit against the sums secured by this Deed of Trust.

Application of Payments 3. Unless applicable law provides otherwise, all payments received by Lender under the Note and paragraphs 1 and 2 hereof shall be applied by Lender first in payment of amounts payable to Lender by Borrower under paragraph 2 hereof, then to interest payable on the Note, next to the principal of the Note, and last to any other sums secured by this Deed of Trust.

Charges; Liens 4. Borrower shall pay all water and sewer rates, taxes, assessments and other charges, fines, impositions and rents, if any, attributable to the Property at Lender's option in the manner provided under paragraph 2 hereof or in such other manner as Lender may designate in writing. Borrower shall

Preservation and Maintenance of Property; Leaseholds 6. Borrower (i) shall not permit or commit waste, impairment, or deterioration of the Property, (ii) shall restore or repair promptly and in a good and workmanlike manner all or any part of the Property to the equivalent of its original condition, or such other condition as Lender may approve in writing, in the event of any damage, injury or loss thereto, whether or not insurance proceeds

promptly furnish to Lender all notices of amounts due under this paragraph, and in the event Borrower shall make payment directly, Borrower shall promptly furnish to Lender receipts evidencing such payments. Borrower shall promptly discharge any lien which has, or may have, priority over or equality with this Deed of Trust and will keep and maintain the Property free from the claims of all persons supplying labor or materials to the Property. Without Lender's prior written permission, Borrower shall not allow any lien inferior to this Deed of Trust to be perfected against the Property.

Hazard Insurance 5. Borrower shall keep the improvements now existing or hereafter erected on the Property insured by insurance carriers satisfactory to Lender against loss by fire, hazards included within the term "extended coverage", rent loss and such other hazards, casualties, liabilities and contingencies as Lender (and, if this Deed of Trust is on a leasehold, the ground lease) shall require and in such amounts and for such periods as Lender shall require. All premiums on insurance policies shall be paid, at Lender's option, in the manner provided under paragraph 2 hereof or in such other manner as Lender may designate in writing.

All insurance policies and renewals thereof shall be in form acceptable to Lender and shall include a standard mortgage clause in favor of and in form acceptable to Lender. Lender shall have the right to hold the policies and renewals thereof, and Borrower shall promptly furnish to Lender all renewal notices and all receipts of paid premiums. At least 15 days prior to the expiration date of the policies, Borrower shall deliver to Lender renewal policies in form satisfactory to Lender. If this Deed of Trust is on a leasehold, Borrower shall furnish Lender a duplicate of all such policies, renewal notices, renewal policies and receipts of paid premiums if, by virtue of the ground lease, the originals thereof may not be supplied by Borrower to Lender.

In the event of loss, Borrower shall give immediate written notice to the insurance carrier and Lender. Borrower hereby authorizes and empowers Lender, at Lender's option and in Lender's sole discretion as attorney-in-fact for Borrower, to make proof of loss, to adjust and compromise any claim under insurance policies, to appear in and prosecute any action arising from such insurance policies, to collect and receive insurance proceeds, and to deduct therefrom Lender's expenses incurred in the collection of such proceeds. Borrower further authorizes Lender, at Lender's option, (a) to hold the balance of such proceeds to be used to reimburse Borrower for the costs of reconstruction or repair of the Property or (b) to apply the balance of such proceeds to the payment of the sums secured by this Deed of Trust, whether or not then due, in the order of application set forth in paragraph 3 hereof (subject, however, to the rights of the lessor under the ground lease if this Deed of Trust is on a leasehold). If the insurance proceeds are held by Lender to be used to reimburse Borrower for the costs of restoration and repair of the Property, the Property shall be restored to the equivalent of its original condition, or such other condition as Lender may approve in writing, and Lender may, at Lender's option, condition disbursement of said proceeds on Lender's approval of such plans and specifications of an architect satisfactory to Lender, contractor's cost estimates, architect's certificates, waivers of liens, sworn statements of mechanics and material men and such other evidence of costs, percentage completion of construction, application of payments, and satisfaction of liens as Lender may reasonably require. If the insurance proceeds are applied to the payment of the sums secured by this Deed of Trust, any such application of proceeds to principal shall not extend or postpone the due date of the monthly installments referred to in paragraphs 1 and 2 hereof or change the amount of such installments.

If under paragraph 25 hereof the Property is sold or the Property is acquired by Lender, all right, title and interest of Borrower in and to any insurance policies and unearned premiums thereon and in and to the proceeds thereof resulting from damage to the Property prior to the sale or acquisition shall pass to Lender.

to Lender subject, if this Deed of Trust is on a leasehold, to the rights of lessor under the ground lease.

Borrower authorizes Lender to apply such awards, proceeds or damages, after the deduction of Lender's expenses incurred in the collection of such amounts, at Lender's option, to restoration or repair of the Property or to payment of the sums secured by this Deed of Trust, whether or not then due, in the order of application set

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are available to pay in whole or in part the costs of such restoration or repair; (iii) shall keep the Property, including improvements, fixtures, equipment, machinery and appliances in good repair and shall replace fixtures, equipment, machinery and appliances on the Property when necessary to keep such items in good repair; (iv) shall comply with all laws, ordinances, regulations and requirements of any governmental body applicable to the Property; and (v) shall generally manage and maintain the Property in a manner to insure maximum rentals. Neither Borrower nor any tenant or other person shall remove, demolish or alter any improvement now existing or hereafter erected on the Property or any fixture, equipment, machinery or appliance in or on the Property except when incident to the replacement of fixtures, equipment, machinery and appliances with items of like kind.

If this Deed of Trust is on a leasehold, Borrower (i) shall comply with the provisions of the ground lease, (ii) shall give immediate written notice to Lender of any default by lessor under the ground lease or of any notice received by Borrower from such lessor of any default under the ground lease by Borrower, (iii) shall exercise any option to renew the ground lease and give written confirmation thereof to Lender within thirty days after such option becomes exercisable, (iv) shall give immediate written notice to Lender of the commencement of any remedial proceedings under the ground lease by any party thereto and, if required by Lender, shall permit Lender as Borrower's attorney-in-fact to control and act for Borrower in any such remedial proceedings and (v) shall within thirty days after request by Lender obtain from the lessor under the ground lease and deliver to Lender the lessor's estoppel certificate required thereunder, if any. Borrower shall not surrender the leasehold estate and interests herein conveyed nor terminate or cancel the ground lease creating said estate and interests, and Borrower shall not, without the express written consent of Lender, alter or amend said ground lease. Borrower covenants and agrees that there shall not be a merger of the ground lease, or of the leasehold estate created thereby, with the fee estate covered by the ground lease by reason of said leasehold estate or said fee estate, or any part of either, coming into common ownership, unless Lender shall consent in writing to such merger; if Borrower shall acquire such fee estate, then this Deed of Trust shall simultaneously and without further action be spread so as to become a lien on such fee estate.

Use of Property 7. Unless required by applicable law or unless Lender has otherwise agreed in writing, Borrower shall not allow changes in the nature of the occupancy for which the Property was intended at the time this Deed of Trust was executed. Borrower shall not initiate or acquiesce in a change in the zoning classification of the Property without Lender's written consent.

Protection of Lender's Security 8. If Borrower fails to perform the covenants and agreements contained in this Deed of Trust, or if any action or proceeding is commenced which affects the Property or title thereto or the interest of Lender therein, including, but not limited to, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then Lender at Lender's option may make such appearances, disburse such sums and take such action as Lender deems necessary to protect Lender's interest, including, but not limited to, disbursement of attorney's fees and entry upon the Property to make repairs. Any amounts disbursed by Lender pursuant to this paragraph 8, with interest thereon, shall become additional indebtedness of Borrower secured by this Deed of Trust. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof, and shall bear interest from the date of disbursement at the rate stated in the Note unless collection from Borrower of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate which may be collected from Borrower under applicable law. Borrower shall have the right to repay such amounts in whole or in part at any time. Nothing contained in this paragraph 8 shall require Lender to incur any expense or do any act.

Inspection 9. Lender may make or cause to be made reasonable entries upon and inspections of the Property during normal business hours.

Books and Records 10. Borrower shall keep and maintain at all times at Borrower's Address stated below, or such other place as Lender may approve in writing, complete and accurate books of accounts and records adequate to reflect correctly the results of the operation of the Property and copies of all written contracts, leases and other instruments which affect the Property. Such books, records, contracts, leases and other instruments shall be subject to examination and inspection at any reasonable time by Lender. Upon Lender's request, Borrower shall furnish to Lender, within one hundred and twenty days after the end of each fiscal year of Borrower, a balance sheet and a statement of income and expenses of the Property, each in reasonable detail and certified by Borrower and, if Lender shall require, by an independent certified public accountant. Borrower shall furnish at the same time a rent schedule for the Property, certified by Borrower, showing the name of each tenant, and for each tenant, the space occupied, the lease expiration date, the rent payable and the rent paid.

Condemnation 11. Borrower authorizes Lender, at Lender's option, as attorney-in-fact for Borrower, to commence, appear in and prosecute, in Lender's or Borrower's name, any action or proceeding relating to any condemnation or other taking of the Property and to settle or compromise any claim in connection with such condemnation or other taking. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyances in lieu of condemnation, are hereby assigned and shall be paid

forth in paragraph 3 hereof, with the balance, if any, to Borrower. Borrower agrees to execute such further assignment of any awards, proceeds, damages or claims arising in connection with such condemnation or injury as Lender may require.

Unless Borrower and Lender otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of the monthly installments referred to in paragraphs 1 and 2 hereof or change the amount of such installments.

Borrower and Lien Not Released 12. From time to time, without affecting the obligation of Borrower or Borrower's successors or assigns to pay the sums secured by this Deed of Trust and to observe the covenants of Borrower contained herein, without affecting the guaranty of any person, corporation, partnership or other entity for payment of the indebtedness secured hereby, and without affecting the lien or priority of lien hereof on the Property, Lender may, at Lender's option, without giving notice to or obtaining the consent of Borrower, Borrower's successors or assigns or of any junior lienholder or guarantors, and without liability on Lender's part, extend the time for payment of said indebtedness or any part thereof, reduce the payments thereon, release anyone liable on any of said indebtedness, accept a renewal note or notes therefor, modify the terms and time of payment of said indebtedness, release from this Deed of Trust any part of the Property, take or release other or additional security, reconvey any part of the Property, consent to any map or plan of the Property, consent to the granting of any easement, join in any extension or subordination agreement, and agree in writing with Borrower to modify the rate of interest or period of amortization of the Note or change the amount of the monthly installments payable thereunder. Borrower shall pay Lender a reasonable service charge, together with such title insurance premiums and attorney's fees as may be incurred at Lender's option, for any such action if taken at Borrower's request.

Forbearance by Lender Not a Waiver 13. Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any right or remedy hereunder. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness hereby secured. Lender's receipt of any awards, proceeds or damages under paragraphs 5 and 11 hereof shall not operate to cure or waive Borrower's default in payment of sums secured by this Deed of Trust.

Estoppel Certificate 14. Borrower shall within ten days of a written request from Lender furnish Lender with a written statement, duly acknowledged, setting forth the sums secured by this Deed of Trust and any right of set-off, counterclaim or other defense which exists against such sums and the obligations of this Deed of Trust.

Uniform Commercial Code Security Agreement 15. This Deed of Trust is intended to be a security agreement pursuant to the Uniform Commercial Code for any of the goods specified above as part of the Property which, under applicable law, may be subject to a security interest pursuant to the Uniform Commercial Code, and Borrower hereby grants Lender a security interest in said goods. Borrower agrees to execute and deliver financing statements covering said goods from time to time and in such form as Lender may require to perfect a security interest with respect to said goods. Borrower shall pay all costs of filing such statements and renewals and releases thereof and shall pay all reasonable costs and expenses of any record searches for financing statements Lender may reasonably require. Without the prior written consent of Lender, Borrower shall not create or suffer to be created pursuant to the Uniform Commercial Code any other security interest in said goods, including replacements and additions thereto. Upon Borrower's breach of any covenant or agreement of Borrower contained in this Deed of Trust, including the covenants to pay when due all sums secured by this Deed of Trust, Lender shall have the remedies of a secured party under the Uniform Commercial Code and, at Lender's option, may also invoke the remedies provided in paragraph 25 of this Deed of Trust as to such goods.

Leases of the Property 16. The Borrower shall comply with and observe Borrower's obligations as landlord under all leases of the Property or any part thereof. Borrower will not lease any portion of the Property except to tenants for occupancy. Borrower, at Lender's request, shall furnish Lender with executed copies of all leases now existing or hereafter made of all or any part of the Property, and all leases now or hereafter entered into will be in form and substance subject to the approval of Lender. Borrower shall not, without Lender's written consent, execute, modify, surrender or terminate, either orally or in writing, any lease now existing or hereafter made of all or part of the Property providing for a term of three years or more, permit an assignment or sublease of such a lease without Lender's written consent, or request or consent to the subordination of any lease of all or any part of the Property to any lien subordinate to this Deed of Trust. Upon Lender's request, Borrower shall assign to Lender as additional security all leases now existing or hereafter made of all or any part of the Property. As used in this paragraph 16, the term "lease" shall mean "sublease" if this Deed of Trust is on a leasehold.

Remedies Cumulative 17. All remedies provided in this Deed of Trust are distinct and cumulative to any other right or remedy under this Deed of Trust or afforded by law or equity, and may be exercised concurrently, independently, or successively.

Effect of Changes in Laws Regarding Taxation of Trust 18. In the event of the enactment of any law deducting from the value of the Property any mortgage lien thereon, or imposing upon the Lender the payment of all or part of the taxes, charges or assessments previously paid by Borrower pursuant to this Deed of Trust, or changing the law relating to the taxation of mortgages, debts secured by mortgages or Lender's interest in the Property so as to impose new incidents of tax on Lender, then Borrower shall pay such taxes or assessments or shall reimburse Lender therefor; provided that, however, if in the opinion of counsel to Lender such payment cannot lawfully be made by Borrower, then Lender may, at Lender's option, declare all of the sums secured by this Deed of Trust to be immediately due and payable without prior notice to Borrower, and Lender may invoke any remedies permitted by paragraph 25 of this Deed of Trust.

Acceleration In Case of Borrower's Insolvency 19. If Borrower shall voluntarily file a petition under the Federal Bankruptcy Acts or under any state bankruptcy or insolvency act or an answer in an involuntary proceeding admitting insolvency or inability to pay debts, or if Borrower shall fail to obtain a vacation or stay of involuntary proceedings brought for the reorganization, dissolution or liquidation of Borrower, or if Borrower shall be adjudged a bankrupt, or if a trustee or receiver shall be appointed for Borrower or Borrower's property, or if Borrower shall make an assignment for the benefit of Borrower's creditors, then Lender may, at Lender's option, declare all of the sums secured by this Deed of Trust to be immediately due and payable without prior notice to Borrower, and Lender may invoke any remedies permitted by paragraph 25 of this Deed of Trust.

Transfer of the Property or Beneficial Interests in Borrower; Assumption 20. On transfer of (a) all or any part of the Property, or any interest therein, or (b) beneficial interests in Borrower (if Borrower is not a natural person or persons but is a corporation, partnership, trust or other legal entity), Lender may, at Lender's option, declare all of the sums secured by this Deed of Trust to be immediately due and payable without prior notice to Borrower, and Lender may invoke any remedies permitted by paragraph 25 of this Deed of Trust. This option shall not apply in case of

- (a) transfers by devise or descent or by operation of law upon the death of a joint tenant;
- (b) transfers when the transferee's credit worthiness and management ability is satisfactory to Lender and the transferee has executed, prior to the transfer, a written assumption agreement containing such terms as Lender may require, including, if required by Lender, an increase in the rate of interest payable under the Note;
- (c) the grant of a leasehold interest in a part of the Property of three years or less not containing an option to purchase (except any interest in the ground lease, if this Deed of Trust is on a leasehold);
- (d) transfers of beneficial interests in Borrower provided that such transfers, together with any prior transfers of beneficial interests in Borrower, but excluding transfers under subparagraphs (a) and (b) above, do not result in more than 49% of the beneficial interests in Borrower having been transferred since commencement of amortization of the Note; and
- (e) transfers pursuant to the first paragraph of paragraph 6 hereof.

Notice 21. Any notice to Borrower provided for in this Deed of Trust shall be given by mailing such notice by certified mail addressed to Borrower at Borrower's Address stated below, except for any notice required under paragraph 25 hereof to be given to Borrower in the manner prescribed by applicable law. Any notice provided for in this Deed of Trust shall be deemed to have been given to Borrower when given in the manner designated herein.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

Acceleration; Remedies 25. Upon Borrower's breach of any covenant or agreement of Borrower in this Deed of Trust, including the covenants to pay when due any sums secured by this Deed of Trust, Lender at Lender's option may declare all of the sums secured by this Deed of Trust to be immediately due and payable without further demand, and may invoke the power of sale and any other remedies permitted by applicable law. Lender shall be entitled to collect all costs and expenses incurred in pursuing the remedies provided in this paragraph 25, including, but not limited to, attorney's fees and costs of documentary evidence and title evidence.

If Lender invokes the power of sale, Lender shall execute or cause Trustee to execute a written notice of the occurrence of an event of default and of Lender's election to cause the Property to be sold and shall cause such notice to be recorded in each county in which the Property or some part thereof is located. Lender shall give notice of default, Trustee shall give notice of sale and Trustee shall sell the Property according to the laws of Nevada. Trustee may sell the Property at the time and place and under the terms designated in the notice of sale in one or more parcels and in such order as Trustee may determine. Trustee may postpone sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale. Lender or Lender's designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property so sold without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all costs and expenses of the sale, including, but not limited to, Trustee's and

Successors and Assigns Bound; Joint and Several Liability; Captions 22. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower, subject to the provisions of paragraph 20 hereof. All covenants and agreements of Borrower shall be joint and several. The captions and headings of the paragraphs of this Deed of Trust are for convenience only and are not to be used to interpret or define the provisions hereof.

Uniform Multifamily Deed of Trust; Governing Law; Severability 23. This form of multifamily deed of trust combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property. This Deed of Trust shall be governed by the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Deed of Trust or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Deed of Trust or the Note which can be given effect without the conflicting provision, and to this end the provisions of the Deed of Trust and the Note are declared to be severable. In the event that any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower is interpreted so that any charge provided for in this Deed of Trust or in the Note, whether considered separately or together with other charges that are considered a part of this Deed of Trust and Note transaction, violates such law, and Borrower is entitled to the benefit of such law, such charge is hereby reduced to the extent necessary to eliminate such violation. The amounts, if any, previously paid to Lender in excess of the amounts payable to Lender pursuant to such charges as reduced shall be applied by Lender to reduce the principal of the indebtedness evidenced by the Note.

Construction Loan Provisions 24. If the indebtedness evidenced by the Note is intended to finance the construction of improvements to the Property, Borrower agrees to comply with the covenants and conditions of the Loan Agreement, which is hereby incorporated by reference in and made a part of this Deed of Trust. All advances made by Lender pursuant to the Loan Agreement shall be indebtedness of Borrower secured by this Deed of Trust. In case of breach by Borrower of the covenants and conditions of the Loan Agreement, Lender, at Lender's option, with or without entry upon the Property, (i) may invoke any of the rights or remedies provided in the Loan Agreement, (ii) may accelerate the sums secured by this Deed of Trust and invoke those remedies provided in paragraph 25 hereof, or (iii) may do both. Prior to completion of the improvements, sums disbursed by Lender to protect the security of this Deed of Trust up to the principal amount of the Note shall be treated as disbursements pursuant to the Loan Agreement, and such sums disbursed by Lender in excess of the principal amount of the Note shall be additional indebtedness of Borrower secured by this Deed of Trust. All such sums shall bear interest from the date of disbursement at the rate stated in the Note, unless collection from Borrower of interest at such rate would be contrary to applicable law in which event such amounts shall bear interest at the highest rate which may be collected from Borrower under applicable law, and shall be payable upon notice from Lender to Borrower requesting payment therefor.

If, after the commencement of amortization of the Note, the Note and this Deed of Trust are sold by Lender, from and after such sale the Loan Agreement shall cease to be a part of this Deed of Trust and Borrower shall not assert any right of set-off, counterclaim or other claim or defense arising out of the Loan Agreement against the obligations of the Note and this Deed of Trust.

attorney's fees and costs of title evidence; (b) to all sums secured by this Deed of Trust; and (c) the excess, if any, to the person or persons legally entitled thereto.

Assignment of Rents; Appointment of Receiver; Lender in Possession 26. As part of the consideration for the indebtedness evidenced by the Note, Borrower hereby absolutely and unconditionally assigns and transfers to Lender the rents and revenues of the Property, including those now due, past due, or to become due, by virtue of any lease or other agreement for the occupancy or use of all or any part of the Property.

Borrower hereby authorizes Lender or Lender's agents to collect the aforesaid rents and revenues and hereby directs each tenant of the Property to pay such rents to Lender or Lender's agents; provided, however, that prior to written notice given by Lender to Borrower of the breach by Borrower of any covenant or agreement of Borrower in this Deed of Trust, Borrower shall collect and receive all rents and revenues of the Property as trustee for the benefit of Lender and Borrower, to apply the rents and revenues so collected to the sums secured by this Deed of Trust in the order provided in paragraph 3 hereof with the balance, so long as no such breach has occurred, to the account of Borrower. Borrower agrees that each tenant of the Property shall pay such rents to Lender or Lender's agents on Lender's written demand therefor without any liability on the part of said tenant to inquire further as to the existence of a default by Borrower.

Borrower hereby covenants that Borrower has not executed any prior assignment of said rents, that Borrower has not performed, and will not perform, any acts or has not executed, and will not execute, any instruments which would prevent Lender from exercising his rights under this paragraph 26, and that at the time of execution

of this Deed of Trust there has been no anticipation or prepayment of any of the rents of the Property for more than two months prior to the due dates of such rents. Borrower further covenants that Borrower will not hereafter collect or accept payment of any rents of the Property more than two months prior to the due dates of such rents.

Upon Borrower's breach of any covenant or agreement of Borrower in this Deed of Trust, Lender may, at Lender's option, regardless of (a) Lender's delay in exercising such option, (b) Lender's failure to exercise such option on the occasion of any prior default, or (c) the adequacy of Lender's security, in person, by agent or by a court-appointed receiver, enter upon and take and maintain full control of the Property in order to perform all acts necessary and appropriate for the operation and maintenance thereof including, but not limited to, the execution, cancellation or modification of leases, the making of repairs to the Property and the execution or termination of contracts providing for the management or maintenance of the Property, all on such terms as are deemed best to protect the security of this Deed of Trust. Lender or the receiver shall be entitled to receive a reasonable fee for so managing the Property. All rents collected pursuant to this paragraph shall be applied first to the costs of taking control of and managing the Property and collecting the rents, including, but not limited to, attorney's fees, receiver's fees, premiums on receiver's bonds, costs of repairs to the Property, premiums on insurance policies, taxes, assessments and other charges on the Property, and the costs of discharging any obligation or liability of Borrower as lessor or landlord of the Property and then to the sums secured by this Deed of Trust. Lender or the receiver shall have access to the books and records used in the operation and maintenance of the Property and shall be liable to account only for those rents actually received. Lender shall not be liable to Borrower, anyone claiming under or through Borrower or anyone having an interest in the Property by reason of anything done or left undone by Lender under this paragraph 26.

If the rents of the Property are not sufficient to meet the costs of taking control of and managing the Property and collecting the rents, any funds expended by Lender for such purposes shall become

indebtedness of Borrower to Lender secured by this Deed of Trust. Unless Lender and Borrower agree in writing to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof and shall bear interest from the date of disbursement at the rate stated in the Note unless payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate which may be collected from Borrower under applicable law.

The entering upon and taking and maintaining of control of the Property by Lender or the receiver and the application of rents as provided herein shall not cure or waive any default hereunder or invalidate any other right or remedy of Lender hereunder. Upon reconveyance of the Property by Trustee, this assignment of rents of the Property shall terminate.

Reconveyance 27. Upon payment of all sums secured by this Deed of Trust, Lender shall request Trustee to reconvey the Property and shall surrender this Deed of Trust and all notes evidencing indebtedness secured by this Deed of Trust to Trustee. Trustee shall reconvey the Property without warranty to the person or persons legally entitled thereto. Such person or persons shall pay Trustee's reasonable costs incurred in so reconveying the Property.

Substitute Trustee 28. Lender, at Lender's option, may from time to time remove Trustee and appoint a successor trustee to any Trustee appointed hereunder. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon the Trustee herein and by applicable law.

Waiver of Homestead 29. Borrower waives all right of homestead exemption in the Property.

Assumption Fee 30. If there is an assumption pursuant to paragraph 20 hereof, Lender may charge an assumption fee of US \$ 4,347.00

IN WITNESS WHEREOF, Borrower has executed this Deed of Trust or has caused the same to be executed by its representatives thereunto duly authorized.

295 Highway 50

Zephyr Cove, NV, 89448

W. F. McCreary
W. F. McCreary

Marilyn E. McCreary
Marilyn E. McCreary

Borrower's Address

CORPORATE ACKNOWLEDGMENT

STATE OF NEVADA, County ss:

On this day of, 19....., personally appeared before me, a Notary Public in and for the County and State aforesaid, (name) (office) of (name of corporation), a corporation, who acknowledged thathe executed the foregoing instrument on behalf of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office in said County of, the day and year in this Certificate first above written.

My Commission Expires:

.....
Notary Public
County of, State of Nevada

INDIVIDUAL ACKNOWLEDGMENT

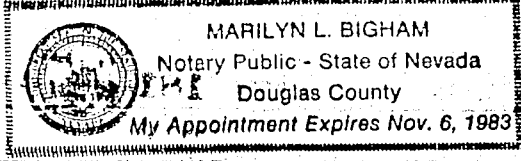
STATE OF NEVADA, DOUGLAS County ss:

On this 24th day of December, 1980, personally appeared before me, a Notary Public in and for the County and State aforesaid, W.F. McCreary and Marilyn E. McCreary, who acknowledged that t.he.y executed the foregoing instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office in said County of Douglas, the day and year in this Certificate first above written.

My Commission Expires:

Marilyn L. Bigham
.....
Notary Public
County of Douglas, State of Nevada



52398

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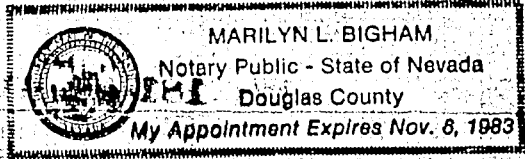
WHEN RECORDED MAIL TO

4536 # 1/5/80

On this _____ day of _____, 19____, personally appeared before me, a Notary Public in and for the County and State aforesaid, W.F. McCreary and Marilyn E. McCreary, who acknowledged that they executed the foregoing instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office in said County of Douglas, the day and year in this Certificate first above written.

My Commission Expires:



Marilyn L. Bigham
Notary Public
County of Douglas, State of Nevada

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INDIVIDUAL LIMITED PARTNERSHIP ACKNOWLEDGMENT

STATE OF NEVADA, _____ County ss:

On this _____ day of _____, 19____, personally appeared before me, a Notary Public in and for the County and State aforesaid, _____, general partner(s) of _____, a limited partnership, who acknowledged that he executed the foregoing instrument on behalf of said limited partnership.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office in said County of _____, the day and year in this Certificate first above written.

My Commission Expires:

Notary Public
County of _____, State of Nevada

CORPORATE LIMITED PARTNERSHIP ACKNOWLEDGMENT

STATE OF NEVADA, _____ County ss:

On this _____ day of _____, 19____, personally appeared before me, a Notary Public in and for the County and State aforesaid, _____ (name), _____ (office) of _____ (name of corporation), a corporation, which corporation is general partner of _____ (name of limited partnership), a limited partnership, and acknowledged that he executed the foregoing instrument on behalf of said limited partnership.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office in said County of _____, the day and year in this Certificate first above written.

My Commission Expires:

Notary Public
County of _____, State of Nevada

REQUEST FOR RECONVEYANCE

To TRUSTEE:

The undersigned is the holder of the note or notes secured by this Deed of Trust. Said note or notes, together with all other indebtedness secured by this Deed of Trust, have been paid in full. You are hereby directed to cancel said note or notes and this Deed of Trust, which are delivered hereby, and to reconvey, without warranty, all the estate now held by you under this Deed of Trust to the person or persons legally entitled thereto.

Dated: _____

REQUESTED BY
DOUGLAS COUNTY TITLE
IN OFFICIAL RECORDS OF
DOUGLAS CO. NEVADA
1981 JAN - 8 AM 11:59

MARIE A. RABEL
RECORDER
Marie A. Rabel
d.p.

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