

SECOND DEED OF TRUST
AND
ASSIGNMENT OF RENTS

THIS DEED OF TRUST made this 4TH day of
JANUARY, 1983, by and between
KARL H. HESSE & CHRISTEL HESSE, HUSBAND & WIFE AS JOINT TENANTS Trustees,
COMSTOCK TITLE COMPANY, as Trustees,
and JILL P. SPATZ, AN UNMARRIED WOMAN, as
Beneficiary.

W I T N E S S E T H:

That the Trustees hereby grant, convey and confirm unto
the said Trustee, in trust with power of sale, the following
described real property situate in the County of DOUGLAS,
State of NEVADA, more particularly described as
follows, to-wit:

LOT 211 AS SHOWN ON THE MAP OF SKYLAND SUBDIVISION NO. 3 FILED IN
THE OFFICE OF THE COUNTY RECORDER OF DOUGLAS COUNTY, NEVADA, ON
FEBRUARY 24, 1960.

TOGETHER with all and singular the tenements, heredita-
ments, and appurtenances thereunto belonging, or in anywise
appertaining, and the reversion and reversions, remainders,
rents, issues and profits thereof, and also all the estate right,
title and interest, homestead or other claim or demand as well in
law as in equity which the Trustees have now or may hereafter
acquire 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 for the benefit and use of the Beneficiary upon
the trust hereinafter expressed, namely: as security for the
payment of the sum of THREE HUNDRED FIFTY-THREE THOUSAND DOLLARS & NO/100's
DOLLARS (\$ 353,000.00) lawful money of the United States,
with the interest thereon in like lawful money, and with expenses
and counsel fees according to the terms of a promissory note of
even date herewith in the amount of THREE HUNDRED FIFTY-THREE THOUSAND
DOLLARS AND NO/100's DOLLARS (\$ 353,000.00) deliver-
ed by the Trustees to the Beneficiary.

AND THIS INDENTURE FURTHER WITNESSES:

FIRST: The following covenants, numbers 1, 2 (the full
insurable value not less than \$ 503,000.00), 3, 4 (12% per
annum), 5, 6, 7 (counsel fee 10%), 8 and 9, NRS 107.030, are
hereby adopted and made a part of the Deed of Trust.

SECOND: The Trustees promise and agree to pay when due
all general or special assessments, claim 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, suffer or permit any acts upon said property in violation of any law, covenant, condition or restriction affecting said property.

THIRD: The Trustors promise 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 situated thereon; and otherwise to protect and preserve the said premises and the improvements thereon and not to commit or permit any waste or deterioration of said buildings and improvements of said premises. If the above described property is farm land, Trustors agree to farm, cultivate and irrigate said premises in a proper, approved and husbandlike manner.

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: Should the Trustors default in the performance of any of the covenants herein, the Beneficiary at his election may declare the promissory note debt, payment of which is secured hereby, to be presently due and payable with interest as therein provided and notwithstanding any provisions thereof to the contrary.

SIXTH: The rights and remedies hereby granted shall not exclude any other rights or remedies granted hereunder or permitted by law and all rights and remedies granted hereunder or permitted by all shall be concurrent and cumulative.

SEVENTH: All costs in connection with this trust shall be paid by the Trustors.

EIGHTH: In addition to the principal sum due on the promissory note heretofore mentioned, this Trust Deed shall be security for any and all money that may hereafter become due and payable from Trustors to Beneficiary from any cause whatsoever.

NINTH: In the event of a default in the performance of 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 NRS shall be given by registered letter to the Trustors addressed to P.O. BOX 11233, ZEPHYR COVE, NEVADA 89448 and such notice shall be binding upon the Trustors, Assignee(s) or Grantee(s) from the Trustors.

TENTH: It is expressly agreed that the trusts created hereby are irrevocable by the Trustors.

ELEVENTH: This deed of trust is subordinate to a deed of trust dated MARCH 21, 1979, executed by KARL H. HESSE & CHRISTEL HESSE, HUSBAND AND WIFE, as Trustor(s) to SILVER STATE TITLE COMPANY, as Trustee(s) and THE GIDDINGS COMPANY, A CALIFORNIA CORPORATION as Beneficiary which superior deed of trust is given to secure a promissory note made on the day above mentioned and recorded on MARCH 23, 1979 in Book 379 of Trust Deed Records at Page 1216 as Document No. 30972.

The Trustors herein hereby agree to assume and pay all of the indebtednesses which are secured by said superior deed of trust and to perform all and singular the terms, covenants and conditions of said superior deed of trust. Should any default be made in the promissory note the payment of which is secured by such superior deed of trust or should default be made as to any provisions of the said superior deed of trust, in any or all such events the holder or holders of such promissory note, the payment of which is secured by this deed of trust, may declare the entire remaining unpaid principal balance of said promissory note to be forthwith due and payable and with interest at the rate therein provided until paid and notwithstanding that the date of maturity of the same shall have not yet arrived.

TWELFTH: In the event the Trustors shall, without written consent of Beneficiary, sell, convey, transfer, contract to sell, or lease with option to purchase the real property covered by this Trust Deed, or any part thereof, or any interest therein, or if Trustors shall be divested of any part or interest therein, either voluntarily or involuntarily, then in all of the above mentioned situations all indebtedness secured by the Trust Deed, irrespective of the maturity date of said indebtedness, may at the option of Beneficiary become immediately due and payable without demand or notice, Beneficiary shall have the contractual right to withhold its consent to a transfer in any instance where the security upon re-evaluation, the financial responsibility of the transferee, or the physical condition of the premises does not warrant that consent, or when the existing interest rate of this loan is less than the current interest rate being charged on loans to purchasers of properties similar in value to the secured property. If Beneficiary grants his consent, an assumption fee of FOUR HUNDRED FIFTY DOLLARS (\$450.00) or one percent (1%) of the principal balance, whichever amount is greater, shall become due and payable by the undersigned or his purchaser.

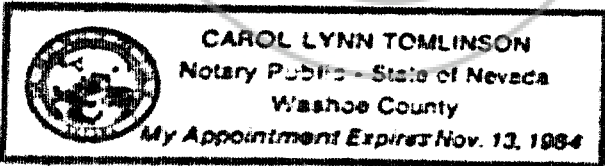
IN WITNESS WHEREOF, the Trustors have hereto set their hands the day and year first above written.

X Karl H Hesse
KARL H. HESSE
X Christel Hesse
CHRISTEL HESSE

STATE OF NEVADA)
) ss.
COUNTY OF WASHOE)

On this 4TH day of JANUARY, 1982, personally appeared before me, a Notary Public in and for said County and State, KARL H. HESSE & CHRISTEL HESSE, who acknowledged to me that they executed the foregoing instrument.

Carol Lynn Tomlinson
NOTARY PUBLIC



REQUESTED BY
CHARTER TITLE INS.

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OFFICIAL RECORDS OF
COUNTY OF WASHOE
\$6.00 PD
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SUZANNE BEAUDREAU
RECORDER

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Betty Nelson
LIBER 183 PAGE 438