

LAWYERS TITLE INSURANCE CORPORATION

AND WHEN RECORDED MAIL TO

NAME HMC Architects, Inc.

ADDRESS 500 East E Street

CITY & STATE ZIP Ontario, CA 91764

Title Order No. 36312 Escrow No. 501090 CLW

SPACE ABOVE THIS LINE FOR RECORDER'S USE

DEED OF TRUST AND ASSIGNMENT OF RENTS (LONG FORM)

BY THIS DEED OF TRUST, made this 4th day of January, 1983, between

THE MELFORD C. AND BETTY J. MORGAN FAMILY TRUST DATED JANUARY 11, 1980 AND FIRST AMENDED TRUST DATED JUNE 28, 1982, herein called Trustor, whose address is

P. O. Box 1237, Zephyr Cove, Nevada 89448 (number and street) (city) (zone) (state)

and SAFECO TITLE INSURANCE COMPANY, a California corporation, herein called Trustee, and

HMC ARCHITECTS, INC., Profit Sharing Trust, herein called Beneficiary.

Trustor grants, transfers, and assigns to trustee, in trust, with power of sale, that property in Douglas County, California, described as: Nevada

See Exhibit "A" attached hereto and made a part hereof by reference.

Trustor also assigns to Beneficiary all rents, issues and profits of said realty reserving the right to collect and use the same except during continuance of default hereunder and during continuance of such default authorizing Beneficiary to collect and enforce the same by any lawful means in the name of any party hereto.

For the purpose of securing:

(1) Performance of each agreement of Trustor incorporated by reference or contained herein; (2) payment of the indebtedness evidenced by one promissory note of even date herewith and any extensions or renewals thereof in the principal sum of \$ 300,000.00 payable to Beneficiary; (3) the payment of any money that may be advanced by the Beneficiary to Trustor or his successors, with interest thereon, evidenced by additional notes (indicating they are so secured) or by endorsement on the original note, executed by Trustor or his successor.

A. TO PROTECT THE SECURITY HEREOF, TRUSTOR AGREES:

(1) To keep said property in good condition and repair, preserve thereon the buildings, complete construction begun, restore damage or destruction, and pay the cost thereof; to commit or permit no waste, no violation of laws or covenants or conditions relating to use, alterations or improvements; to cultivate, irrigate, fertilize, fumigate, prune, and do all other acts which the character and use of said property and the estate or interest in said property secured by this Deed of Trust may require to preserve this security.

(2) To provide, maintain and deliver to Beneficiary fire insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or Beneficiary may release all or any part thereof to Trustor. 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) To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and to pay all costs and expenses, including cost of evidence of title and attorney's fees, in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear.

(4) To pay, at least ten days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock, when due, all incumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees and expenses of this Trust.

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof. Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of the Beneficiary or Trustee; pay, purchase, contest or compromise any incumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay his reasonable fees.

(5) To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at seven per cent per annum, and to pay for any statement provided for by law regarding the obligations secured hereby in the amount demanded by Beneficiary, not exceeding the maximum amount permitted by law at the time of the request therefore.

B. IT IS MUTUALLY AGREED THAT:

(1) Any award of damages in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned to Beneficiary, who may apply or release such moneys received by him in the same manner and with the same effect as provided for disposition of proceeds of fire or other insurance.

(2) By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right either to require payment when due of all other sums so secured or to declare default for failure so to pay.

(3) At any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed and such note for endorsement, and without affecting the personal liability or any person for payment of the indebtedness secured hereby, Trustee may: reconvey any part of said property; consent to the making of any

map thereof; join in granting any easement thereon; or join in any agreement extending or subordinating the lien or charge hereof.

(4) Upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed and said note to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto."

(5) Upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause said property to be sold, which notice Trustee shall cause to be duly filed for record. Beneficiary also shall deposit with Trustee this Deed, said note and all documents evidencing expenditures secured hereby.

Trustee shall give notice of sale as then required by law, and without demand on Trustor, at least three months having elapsed after recordation of such notice of default, shall sell said property at the time and place of sale fixed by it in said notice of sale, either as a whole or in 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. Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty, expressed or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at seven per cent per annum; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

(6) This Deed applies to, inures to the benefit of, and binds all parties hereto, their legal representatives and successors in interest. The term Beneficiary shall include any future owner and holder, including pledgees, of the note secured hereby. In this Deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

(7) Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

(8) The Trusts created hereby are irrevocable by Trustor.

(9) Beneficiary may substitute a successor Trustee from time to time by recording in the office of the Recorder or Record-ers of the county where the property is located an instrument stating the election by the Beneficiary to make such substitution, which instrument shall identify the Deed of Trust by recording reference, and by the name of the original Trustor, Trustee and Beneficiary, and shall set forth the name and address of the new Trustee, and which instrument shall be signed by the Beneficiary and duly acknowledged.

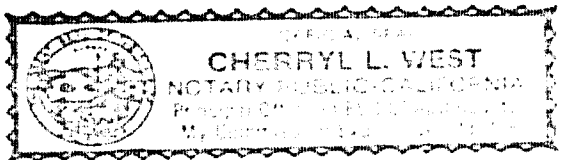
The undersigned Trustor request that a copy of any notice of default and any notice of sale hereunder be mailed to him at his address hereinabove set forth.

*Melford C. Morgan, Trustee*  
Melford C. Morgan, Trustee  
*Betty J. Morgan, Trustee*  
Betty J. Morgan, Trustee

STATE OF CALIFORNIA, }  
COUNTY OF EL DORADO } SS.  
On January 13, 1983

before me, the undersigned, a Notary Public in and for said County and State, personally appeared Melford C. Morgan and Betty J. Morgan, Trustees of the Melford C. and Betty J. Morgan Family Trust, proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) subscribed to the within instrument and acknowledged that they executed the same, on behalf of said Trust.

*Cherryl L. West*

FOR NOTARY SEAL OR STAMP  
  
CHERRYL L. WEST  
NOTARY PUBLIC - CALIFORNIA  
075125  
LIBER 183 PAGE 614

DO NOT RECORD  
**Deed of Trust**  
WITH POWER OF SALE  
(LONG FORM)  
**SAFECO TITLE INSURANCE COMPANY**  
AS TRUSTEE

DO NOT RECORD  
FOR RECONVEYANCE OR FORECLOSURE SEND TO THE NEAREST OFFICE OF SAFECO TITLE INSURANCE COMPANY  
**REQUEST FOR FULL RECONVEYANCE**  
To be used only when note has been paid.  
Dated \_\_\_\_\_  
To SAFECO TITLE INSURANCE COMPANY, TRUSTEE:  
The undersigned is the legal owner and holder of all indebtedness secured by the within Deed of Trust. All sums secured by said Deed of Trust have been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel all evidences of indebtedness, secured by said Deed of Trust, delivered to you herewith together with the said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, the estate now held by you under the same.  
Mail Reconveyance To:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
(By) \_\_\_\_\_  
(By) \_\_\_\_\_  
Do not lose or destroy this Deed of Trust OR THE NOTE which it secures. Both must be delivered to the Trustee for cancellation before reconveyance will be made.

EXHIBIT "A"

Lot 14, in Block B, as shown on the filed map of the AMENDED MAP OF LINCOLN MEADOWS UNIT NO. 1, filed in the office of the County Recorder of Douglas County, Nevada, on January 6, 1978, as Document No. 16415.

TOGETHER WITH a non-exclusive 60 foot easement for roadway and utility services as granted by SAMMIE EVANS, et ux, to LEE HALE AND CO., INC., recorded December 21, 1967, in Book 56, of Official Records, at page 201, Document No. 39634, Douglas County, Nevada.

ALSO FURTHER TOGETHER WITH an undivided 1/3 interest in and to that Common Drive adjacent to Lots 12, 13, 14 and 15, in Block B, as said Lots and Block are shown on the filed map of the AMENDED MAP OF LINCOLN MEADOWS UNIT NO. 1, filed in the office of the County Recorder of Douglas County, Nevada, on January 6, 1978, as Document No. 16415.

COPY

REQUESTED BY  
LAWYERS TITLE INS. CORP.

IN OFFICIAL RECORDS OF  
DOUGLAS CO. NEVADA

\$6.00 pt.

1983 JAN 14 AM 9:53

SUZANNE BEAUDREAU  
RECORDER

*Carey E. Ebert*  
Dep.

075125

LIBER 183 PAGE 615