

DO14053-70

SHORT FORM DEED OF TRUST AND ASSIGNMENT OF RENTS

THIS DEED OF TRUST, made this 29th day of January A.D. 19 86 between William Patrick O'Shaughnessy Jr., AKA William P. O'Shaughnessy, a Single Man and Phyllis Quincy, a Single Woman

herein called TRUSTOR.

whose address is P.O. Box 2905 Carson City, Nv. 89702

Northern Nevada Title Nevada Corporation, herein called TRUSTEE, and Ronald Cudek Money Purchase Pension Plan

herein called BENEFICIARY.

WITNESSETH: That Trustor IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS TO TRUSTEE IN TRUST, WITH POWER OF SALE, that property in Washoe County, Nevada, described as:

Lot 1, as shown on the final map of Sheridan Meadows Subdivision, filed for record in the office of the County Recorder of Douglas County, Nevada, on May 21, 1973, as Document No. 66349. NE|CR.

TOGETHER WITH all rents, issues, royalties and profits thereof, subject, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues, royalties and profits.

AND ALSO all the estate, right, title and interest, homestead or other claim or demand, as well in law as in equity, which said Trustor now has or may hereafter acquire, in or to said property, with the appurtenances, including water, water stock, water rights, pipes, ditches and easements, and all buildings and improvements thereon or that may be placed thereon.

FOR THE PURPOSE OF SECURING: (1) Payment of the sum of (\$70,000.00) Seventy Thousand and 00/100ths DOLLARS

with interest thereon according to the terms of a Promissory Note or Notes of even date herewith, made by Trustor, payable to Beneficiary or order, and any modifications, renewals, or extensions thereof; (2) Performance of each agreement of Trustor contained or incorporated herein by reference, and (3) Payment of such additional sum or sums with interest thereon as may be hereafter borrowed from Beneficiary or its successor in interest by the Trustor, or the then record owner of said property, when evidenced by another Promissory Note or Notes.

In the event the undersigned, or any successor in interest of the undersigned, shall sell, convey, transfer, contract to sell, or lease with option to purchase, the real property described in this Deed of Trust, or any part of said real property or any interest therein, or if any said parties shall be divested of title to said real property or any part thereof, then the entire balance of the principal and interest secured hereby shall, at the option of the holder hereof, become immediately due and payable. If the aforesaid option is not exercised, a transfer fee of not more than one percent (1%) of the then unpaid balance, and not less than \$40.00 shall be paid. Trustor further agrees to pay for any statement regarding the obligation secured hereby any amount demanded by Beneficiary, not to exceed the maximum allowed by law at the time when such statement is requested.

To protect the security of this Deed of Trust, Trustor agrees: by the execution and delivery of this Deed of Trust and the Note secured hereby, that the provisions of Section "A," including Paragraphs 1 through 15, hereinafter set forth and of Section "B" including Paragraphs 1 through 16, hereinafter set forth and designated as Exhibit 1, Pages A through F, of the fictitious Deed of Trust recorded in the Office of each County Recorder in the State of Nevada, in the book and at the page thereof, or under the document or file number, noted below opposite the name of such county, namely

Table with 5 columns: COUNTY, BOOK, PAGE, DOCUMENT NO., DATE. Row 1: Washoe, 910, 314, 374343, Aug 13, 1975

are incorporated and made a part hereof as if fully set forth herein, and that he will observe and perform said provisions, that the Note and obligations herein referred to shall be deemed to mean the obligations secured by this Deed of Trust; that the property therein referred to shall be deemed to mean the property affected by this Deed of Trust; that the terms "Trustor," "Beneficiary," and "Trustee" as used therein shall be deemed to mean the Trustor, Beneficiary and Trustee, respectively under this Deed of Trust.

A. To protect the security of this Deed of Trust, Trustor agrees:

1. Together with and in addition to the monthly payments of principal and interest payable under the terms of said Note, at the option of the Beneficiary, to pay to the Beneficiary on the day each monthly payment becomes due under the Note the following sums:

(a) An installment of taxes and special assessments levied or to be levied against the premises covered by this Deed of Trust, and an installment of the premium or premiums that will become due and payable to renew the insurance on the premises covered hereby against loss by fire or such other hazard as may be required by Beneficiary. Such installments for taxes and assessments shall be the estimated taxes and assessments next due (as estimated by Beneficiary) less all installments already paid therefor, divided by the number of months that are to elapse before two months prior to the date when such taxes and assessments will become due. Such installments for insurance shall likewise be the estimated premiums next due (as estimated by Beneficiary) less all installments paid therefor, divided by the number of months that are to elapse before two months prior to the date when such premium or premiums will become due. Beneficiary shall hold such monthly payments, but not in trust, to pay such premium or premiums and taxes and special assessments when due.

(b) All payments mentioned in the preceding subsection 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 each month in a single payment to be applied by Beneficiary to the following items in the order set forth: (1) Interest on the Note secured hereby; (2) Taxes, special assessments, fire and other hazard insurance premiums; (3) Payment of any other sums due the Beneficiary under the terms of this Deed of Trust; and (4) Amortization of the principal of said Note.

(c) If the total of the payments made under (a) of this paragraph 1 preceding shall exceed the amount of payments made by Beneficiary for taxes or assessments or insurance premiums, as the case may be, such excess may be credited by Beneficiary on subsequent payments of the same nature to be made by the Trustor. If, however, the monthly payments made under (a) of this paragraph 1 preceding shall not be sufficient to pay taxes and assessments and insurance premiums, as the case may be, when the same shall become due and payable, the Trustor shall pay to Beneficiary any amount necessary to make up the deficiency not less than five (5) days before the date when payment of such taxes, assessments or insurance premiums shall be due. If at any time Trustor shall tender to Beneficiary, in accordance with the provisions hereof, full payment of the entire indebtedness secured hereby, Beneficiary shall in computing the amount of indebtedness, credit to the account of Trustor any balance remaining in the funds accumulated under the provisions of (a) of this paragraph 1 hereof.

2. In the event of the passage after date of this Deed of Trust of any law of the State of Nevada, deducting from the value of the land for the purpose of taxation any lien thereon, or changing in any way the laws now in force for the taxation of mortgages, deeds of trust, or debts secured thereby for state or local purposes, or the manner of the collection of any such taxes so as to affect the interest of Beneficiary, then and in such event, Trustor shall bear and pay the full amount of such taxes, provided that if for any reason payment by Trustor of any such new or additional taxes would be unlawful or if the payment thereof would constitute usury or render the loan or indebtedness secured hereby wholly or partially usurious under any of the terms or provisions of the Note, or the within Deed of Trust, or otherwise, Beneficiary may, at its option, declare the whole sum secured by this Deed of Trust with interest thereon to be immediately due and payable, or Beneficiary may, at its option, pay that amount or portion of such taxes, if renders the loan or indebtedness secured hereby unlawful or usurious, in which event Trustor shall concurrently therewith pay the remaining lawful and non-usurious portion or balance of said taxes.

3. To protect and preserve said property and to maintain it in good condition and repair

4. Not to remove, demolish or materially alter any building or improvement thereon

5. To complete or restore promptly and in good and workmanlike manner any building or improvement which may be constructed, damaged or destroyed thereon, and pay when due all costs incurred therefor, and if the loan secured hereby or any part thereof is being obtained or should any additional loan be made hereafter for the purpose of improving construction of improvements on said property, Trustor further agrees:

(a) To faithfully perform each and every obligation assumed under any building loan agreement, signed by Trustor, and failure to perform any such obligation shall constitute a default hereunder.

(b) To commence construction promptly and in any event within thirty (30) days from the date this Deed of Trust is made a public record as provided by law, and complete same with due diligence in accordance with plans and specifications satisfactory to Beneficiary.

(c) To allow Beneficiary to inspect said property at all times during construction.

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- (d) To replace any work or materials unsatisfactory to Beneficiary within fifteen (15) calendar days after written notice from Beneficiary of such fact, which notice may be given to the Trustor by registered or certified mail, postage prepaid, addressed to Trustor, and sent to the address, hereinafter set forth, or by personal service of the same
6. Not to commit or permit waste of said property.
7. To comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting said property or requiring any alterations or improvements to be made thereon
8. To prevent and eliminate any wood destroying organism, termite or dry rot infestation of any building or improvement thereon and to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character and use of said property may be reasonably proper or necessary, the specific enumerations herein not excluding the general.
9. To provide and maintain in force at all times insurance against loss by fire and other hazards, including war damage, casualties and contingencies as may be required from time to time by Beneficiary in such amounts (at least equal to the full replacement cost or value, as determined by Beneficiary, of the improvements on said real property) and for such periods as may be required by Beneficiary with loss payable solely to Beneficiary. Said insurance policies and any endorsements thereon shall be in form and content and for such term and in such corporations as may be satisfactory to Beneficiary, and shall be delivered to and remain in possession of Beneficiary as further security for the faithful performance of these trusts. At least twenty five (25) days prior to the expiration of any said insurance policy, a policy or policies renewing or extending said expiring insurance, with evidence that the premiums have been paid, shall be delivered to said Beneficiary. By executing this Deed of Trust, the Trustor specifically requests the Beneficiary to obtain said insurance and pay the premium thereon in the event said insurance policy and receipt of payment for the premium therefor be not so delivered to said Beneficiary by the Trustor, but the Beneficiary shall be under no obligation so to do, and the obtaining of any such insurance and the payment of the premium therefor by Beneficiary shall not release Trustor from any obligation hereof. Neither the Trustee nor Beneficiary shall be responsible for such premiums. Any and all unexpired insurance shall inure to the benefit of, and pass to the purchaser of, the property conveyed hereby at any Trustee's sale held hereunder. In the event of any loss, all moneys becoming payable under any insurance policy mentioned herein shall be payable directly and exclusively to said Beneficiary without the necessity that Trustor or his successors in interest sign or endorse any check or other instruments evidencing such payment, and the sole receipt of Beneficiary therefor shall constitute full acquittance to any company issuing such insurance policy and making such payments to Beneficiary. The amount collected under any insurance policy may be applied by the Beneficiary upon any indebtedness secured hereby, and in such order as the Beneficiary may determine, or at the option of Beneficiary the entire amount, or any part thereof, may be released to Trustor or his successors in interest. 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. The term "insurance" for the purposes hereof shall include mortgage life insurance, when applicable.
10. To appear in and defend any action or proceeding purporting to affect the security hereof, to affect, determine, declare or construe the rights or powers of Beneficiary or Trustee, including but not limited to, an action or proceeding instituted in the exercise of the right of eminent domain or for the partition of said premises, and should Beneficiary or Trustee elect to also appear in or defend any such action or proceeding, to pay all costs and expenses, including costs of evidence of title and attorneys' fees in a reasonable sum incurred by Beneficiary or Trustee, or both.
11. To pay at least ten (10) days before delinquency all taxes, assessments and other governmental charges affecting said property, including assessments on appurtenant water stock, and to pay, when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto and to pay all costs, fees and expenses of this Trust.
12. In the event of default in the payment of any of the moneys to be paid under the terms of the Note secured hereby or in the performance of any of the covenants and obligations of this Deed of Trust, then any funds in the possession of the Beneficiary, or other credits to which the Trustor would otherwise be entitled may, at the option of the Beneficiary, be applied to the payment of any obligation secured hereby in such order as the Beneficiary may, in its sole discretion, determine.
13. Should Trustor fail to make any payment or 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 the property for such purposes, commence, appear in and defend any action or proceeding purporting to affect the security hereof or to affect, determine, declare or construe the rights or powers of Beneficiary or Trustee, to pay, purchase, contest or compromise any encumbrance, charge of lien which in the judgment of either appears to be prior or superior hereto, and in exercising such powers incur any liability, expend whatever amounts in its absolute discretion it may deem necessary therefor, including costs of evidence of title, employ counsel and pay his reasonable fees.
14. To pay immediately and without demand all sums expended hereunder by Beneficiary or Trustee with interest from date of expenditure at ten per cent per annum, and the repayment thereof shall be secured hereby.
15. As additional security, Trustor hereby assigns to Beneficiary during the continuance of these Trusts, all rents, issues, royalties and profits of the property affected by this Deed of Trust and of any personal property located thereon. Until Trustor shall default in the payment of any indebtedness secured hereby or in the performance of any agreement hereunder, Trustor shall have the right to collect all such rents, issues, royalties and profits earned prior to default as they become due and payable. If Trustor shall default as aforesaid, Trustor's right to collect any such money shall cease and Beneficiary shall have the right, with or without taking possession of the property affected hereby, to collect all rents, issues, royalties and profits and shall be entitled to and may and, without notice and irrespective of whether declaration of default has been delivered to Trustee and without regard to the adequacy of the security for the indebtedness secured hereby, either personally or by attorney or agent, without bringing any action or proceeding, or by receiver to be appointed by the Court, is hereby authorized to enter into possession and hold, occupy, possess and enjoy the said property, make, cancel, enforce and modify leases, obtain and eject tenants, and set and modify rents and terms of rents, and to sue, and to take, receive and collect all or any part of the said rents, issues, royalties and profits of the property affected hereby, and after paying such costs of maintenance, operation of said property, and of collection, including reasonable attorney's fees, as in its judgment it may deem proper, to apply the balance upon the entire indebtedness then secured hereby, by the rents, issues, royalties and profits of said property being hereby assigned to Beneficiary for said purposes. The acceptance of such rents, issues, royalties and profits shall not constitute a waiver of any other right which Trustee or Beneficiary may enjoy under this Deed of Trust or under the laws of Nevada. Failure of or discontinuance by Beneficiary at any time, or from time to time, to collect any such rents, issues, royalties or profits shall not in any manner affect the subsequent enforcement by Beneficiary of the right, power and authority to collect the same. The receipt and application by said Beneficiary of all such rents, issues, royalties and profits pursuant hereto, after execution and delivery of declaration of default and demand for sale as hereinafter provided, or during the pendency of Trustee's sale proceedings hereunder, shall not cure such breach or default nor affect said sale proceedings, or any sale made pursuant thereto, but such rents, issues, royalties and profits less all costs of operation, maintenance, collection and reasonable attorney's fees, when received by Beneficiary, shall be applied in reduction of the entire indebtedness from time to time, secured hereby, in such order as Beneficiary may determine. Nothing contained herein, nor the exercise of the right by Beneficiary to collect, shall be, or be construed to be, an affirmation by Beneficiary of any tenancy, lease or option, nor an assumption of liability under, nor a subordination of the lien or charge of this Deed of Trust, to, any such tenancy, lease or option.
- B. It is mutually agreed that
1. Should the property or any part thereof be taken or damaged by reason of any public improvement or condemnation proceeding or damaged in any other manner, Beneficiary shall be entitled to all compensation, awards, and other payments or relief therefor, and shall be entitled, as its option, to commence, appear in and prosecute in its own name, any action or proceedings, or to make any compromise or settlement in connection with such taking or damage. All such compensation, awards, damages, rights of action and proceeds, including proceeds of any policies of fire and other insurance affecting said property, are hereby assigned to Beneficiary, who may, after deducting therefrom all its expenses, including attorneys' fees, release any money so received by it or apply the same on any indebtedness secured hereby. Trustor agrees to execute such further assignments of any compensation, award, damages and rights of action and proceeds as Beneficiary or Trustee may require.
2. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right either to require prompt payment when due of all other sums so affected, or to declare default for failure so to pay. No waiver of any default hereunder shall be a waiver of any other default.
3. Without affecting the liability of any person, including Trustor, for the payment of any indebtedness secured hereby and without affecting the lien or charge of this Deed of Trust, upon the property for the full amount of the indebtedness remaining unpaid, Beneficiary may from time to time and without notice
- (a) Release any person liable for payment of any of the indebtedness.
- (b) Extend the time of payment or otherwise alter the terms of any of the indebtedness.
- (c) Accept additional security therefor of any kind, including trust deeds or mortgages.
- (d) Alter, substitute or release any property securing the indebtedness
4. At any time, or from time to time, without liability therefor, and without notice, upon request of Beneficiary, and upon payment of its fees and presentation of this Deed of Trust and the Note for endorsement (in case of full reconveyance, for cancellation and retention) without affecting the liability of any person for the payment of the indebtedness, Trustee may:

- (a) Consent to the making of any map or plat of the property;
- (b) Join in granting any easement or creating any restriction thereon;
- (c) Join in any subordination or other agreement affecting this Deed of Trust or the lien or charge thereof;
- (d) Reconvey, without warranty, all or any part of the property.

The grantee in any reconveyance may be described as the "person or persons legally entitled thereto," and the recital therein of any matters or facts shall be conclusive proof of the truthfulness thereof. Two years after issuance of such full reconveyance, Trustee may destroy said Note and this Deed of Trust (unless directed in such request to retain them). Such request and reconveyance shall operate as a reassignment of the rents, issues, royalties and profits hereinbefore assigned to Beneficiary.

5. Should Trustor default hereunder in the payment of any indebtedness secured hereby or in the performance of any agreement hereunder, Beneficiary may, notwithstanding any other provision hereof, enter and take possession and manage the same, and without notice to Trustor, Beneficiary may declare all sums secured hereby immediately due and payable, such declaration to be evidenced by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause the property to be sold, which latter notice Trustee shall cause to be filed for record. Beneficiary also shall deposit with Trustee this Deed of Trust and said Note. It is mutually agreed by the parties hereto that in the event any default hereinbefore referred to shall have continued for a period of not more than thirty-five (35) calendar days, the costs and expenses actually incurred by Beneficiary shall be the sum of Fifty Dollars (\$50.00) in addition to trustee's fees, recording and mailing expenses, title charges and all other out-of-pocket expenses.

6. After the lapse of such time as may be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine (and the Trustor shall have no right to direct the order in which such property, if consisting of several known lots or parcels, shall be sold) 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 the property by public announcement at the time and place of sale, and from time to time thereafter may postpone the sale by like public announcement at the time fixed by the preceding postponement. Trustee shall deliver to the purchaser its Deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in the Deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee or Beneficiary may purchase at the sale. After deducting all costs, fees and expenses of the Trustee and of this Trust, including escrow fees, if any, cost of evidence of title in connection with the sale and revenue stamps on Trustee's Deed, Trustee shall apply the proceeds of sale to:

- (a) Payment of all sums expended under the terms hereof, not then repaid, with accrued interest at ten per cent per annum.
- (b) All other sums then secured hereby;
- (c) and the remainder, if any, shall be paid to the person or persons legally entitled thereto.

7. Beneficiary may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed and acknowledged by Beneficiary and recorded in the Office of the recorder of the county or counties where said property is situated, shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument shall contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed of Trust is recorded, and the name of the new Trustee. If notice of default shall have been recorded, this power of substitution cannot be exercised until after the costs, fees and expenses of the then acting Trustee shall have been paid to such Trustee, who shall endorse receipt thereof upon such instrument of substitution. Beneficiary may with like effect make such substitution at any time in the manner provided by law.

8. The pleading of any statute of limitations as a defense to pay any and all obligations secured by this Deed of Trust is hereby waived to the full extent permissible by law.

9. Any Trustor who is a married woman hereby expressly agree that recourse may be had against her separate property, but without hereby creating a present or any lien or charge thereon, for any deficiency after sale of the property hereunder.

10. This Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall include not only the original Beneficiary hereunder but also any future owner and holder, including pledgees, on the Note secured hereby. In this Deed of Trust whenever the context so requires, the masculine gender includes the feminine and/or neuter, the singular number includes the plural. 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.

11. If this Deed of Trust or any Note secured hereby provides any penalty for prepayment of any indebtedness secured hereby, Trustor agrees to pay said penalty if any of said indebtedness shall be paid prior to the due date thereof stated in said Note or this Deed of Trust, even if and notwithstanding Trustor shall have defaulted in payment thereof, or in performance of any agreement hereunder, and Beneficiary, by reason thereof, shall have declared all sums secured hereby immediately due and payable.

12. Trustee accepts this Trust when this Deed of Trust, 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 brought 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.

13. The Trustee, upon presentation to it of an affidavit signed by or on behalf of Beneficiary, setting forth any fact or facts showing a default by Trustor under any of the terms or conditions of this Deed of Trust, is authorized to accept as true and conclusive, all facts and statements in such affidavit and to act hereunder in complete reliance thereon.

14. When the term "Note" is used herein, it shall be construed to mean any Note or Notes secured by this Deed of Trust.

15. This Deed of Trust shall be construed according to the laws of the State of Nevada.

16. The following Covenants, Nos. 1 through 9, inclusive, of N.R.S. 107-030, where not in conflict with the provisions of Sections A and B above, are hereby adopted and made a part of this Trust Deed.

The undersigned Trustor requests that a copy of any Notice of Default and of any Notice of Sale and of any other notice provided for hereunder be mailed to him at his address above set forth.

William Patrick O'Shaughnessy Jr.
 Signature of Trustor

Phyllis Quincy
 Signature of Trustor

STATE OF NEVADA }
 COUNTY OF Washoe }

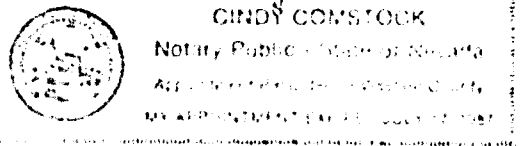
WHEN RECORDED MAIL TO Pyramid Mortgage Co.
P.O. Box 7333
Reno, Nv. 89510
 Loan No. 522

On January 29, 1986, before me,
 the undersigned a Notary Public in and for said County and State,
 personally appeared William Patrick O'Shaughnessy
Jr. and Phyllis Quincy

SPACE BELOW FOR RECORDER'S USE.

known to me to be the person described in and who executed the foregoing instrument, who acknowledged to me that they executed the same freely and voluntarily and for the uses and purposes therein mentioned. WITNESS my hand and official seal.

Signature Cindy Comstock
 Notary Public in and for said County and State



REQUESTED BY
 Northern Nevada Title Company
 IN OFFICE OF POS OF
 COUNTY CLERK

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PAID TO THE DEPT.

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