



connection with the premises above described, together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in anyway appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof.

FOR THE PURPOSE OF SECURING:

(1) Performance of each agreement of the Trustor herein contained.

(2) Payment of an indebtedness in the sum of SIXTY FIVE THOUSAND DOLLARS (\$65,000.00), with interest according to the terms of a Promissory Note of even date herewith, executed by the Trustor, delivered to the Beneficiary, and payable to the order of the Beneficiary, which Note with any and all extensions thereof is incorporated herein by reference,

(3) Payment of all other sums with interest which may become due or payable under the provisions of this Note to either the Trustee or the Beneficiary.

TO PROTECT THE SECURITY OF THIS DEED OF TRUST:

FIRST: In the event any improvements are constructed upon the herein described real property, the Trustor promises and agrees to pay when due all claims for labor performed and materials furnished for any construction, alteration or repair thereon; to comply with all laws affecting said property or relating to any alterations or improvements that may be made; not to commit or permit waste thereon; not to commit, suffer or permit any acts upon the property in violation of any law, covenant, condition or restriction affecting the property.

SECOND: The following covenants Nos. 1, 3, 4 (14%), 5, 6, 7 (10%), 8, and 9 of Nevada Revised Statutes 107.030 are hereby adopted and made a part of this Deed of Trust.

THIRD: Trustor agrees that he will pay any deficiency arising from any cause after application of the proceeds of a sale held in accordance with the provisions of the covenants hereinabove adopted by reference.

FOURTH: Trustor agrees to provide and maintain fire, hazard, and extended coverage insurance, insuring the property and any and all improvements upon or to be constructed upon the premises, in a company satisfactory to, and with the loss payable to, the Beneficiary and the Trustor, as their respective interests may appear. This insurance shall be in the amount of the fair and reasonable market value of the real property and its improvements, with the minimum amount being \$65,000.00. Upon request by Beneficiary, Trustor shall promptly furnish all receipts of paid premiums and renewal notices. In the event Trustor shall be in default of this provision Beneficiary may procure such insurance and may pay and expend for premiums for

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such insurance such sums of money as the Beneficiary may deem necessary. Any monies the Beneficiary expend for such premiums shall be due and payable to the Beneficiary with the following months principal and/or interest payment.

FIFTH: Any award of damages in connection with any condemnation for public use of or injury to this property or any part thereof is hereby assigned and shall be paid to Beneficiary. The condemnation award shall be applied by the Beneficiary to the indebtedness secured hereby in such order as the Beneficiary may determine, and when such indebtedness has been satisfied, the balance of such award shall be released to the Trustor.

SIXTH: Trustor shall pay all reasonable costs, charges and expenses, including attorney's fees, reasonably incurred or paid at any time by the Beneficiary because of the failure on the part of Trustor to perform, comply with, and abide by each and every stipulation, agreement, condition and covenant of the Promissory Note secured hereby and this Deed of Trust.

SEVENTH: Trustor hereby assigns to the Beneficiary the right, power, and authority, during the continuance of this Trust, to collect the rents, issues, and profits of the property, reserving unto the Trustor the right, prior to any default as defined in this Deed of Trust by the Trustor, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time and without notice, either in person, by agent, or by receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, collect and enforce his assignment of the rents, issues, and profits by any lawful means.

EIGHTH: The lien of this instrument shall remain in full force and effect during any postponement or extension of the time of repayment of the indebtedness or any part thereof secured by this Deed of Trust. The Beneficiary may, without notice to or consent of the Trustor, extend the time of payment of any indebtedness secured hereby to any successor in interest of the Trustor, without discharging the Trustor from any liability thereon.

NINTH: The rights and remedies granted hereunder or by law shall not be exclusive but shall be concurrent and cumulative.

TENTH: The benefits of the covenants, terms, conditions and agreements herein contained shall accrue to, and the obligations thereof shall bind the heirs, representatives, successors and assigns of the parties hereto and the Beneficiary hereof. Whenever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all other genders, and the term "Beneficiary" shall include any payee of the indebtedness hereby secured or any transferee thereof, whether by operation of law or otherwise.

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ELEVENTH: This Deed of Trust is executed by the Trustor and accepted by the Beneficiary with the understanding and upon the express condition that if the Trustor should make default in the performance to the Beneficiary of any of the covenants or agreements herein set forth, then and in that event the full amount of the principal of the indebtedness secured hereby, plus interest, shall forthwith be and become wholly due and payable, notwithstanding the fact that the same would not otherwise be due according to the terms of the Promissory Note secured hereby.

TWELFTH: In the event the real property described herein, or any part of it, or any interest in it, legal or equitable, is sold, conveyed or alienated by the Trustor, or by operation of law, or otherwise, all obligations secured by this instrument, irrespective of any maturity dates expressed, at the option of the Holder, and without demand or notice, shall immediately become due and payable.

THIRTEENTH: Should there be a Notice of Default recorded against this Deed of Trust, the entire unpaid principal balance owing on the Promissory Note secured hereby shall thereafter bear interest at ONE HUNDRED TWENTY-FIVE PERCENT (125%) of the interest rate of the Note, whether said default should thereafter be cured or not.

FOURTEENTH: The trust hereby created is irrevocable by the Trustor.

FIFTEENTH: The undersigned Trustor request that a copy of any Notice of Default and of any Notice of Sale hereunder be mailed to them at the address set forth beneath their signatures, which address is hereby declared to be a part of this Deed of Trust.

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IN WITNESS WHEREOF, Trustor hereby accepts and agrees to the terms and covenants contained in this Deed of Trust.

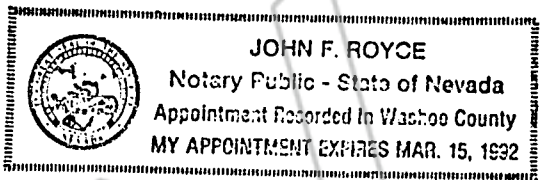
*[Handwritten Signature]*

ERNEST OSWALD  
P.O. Box 10301  
Zephyr Cove, NV 89448

STATE OF NEVADA )  
COUNTY OF Washoe )

:SS

On this 7 day of February, 1989,  
personally appeared before me, a  
notary public, ERNEST OSWALD, who  
acknowledged that he executed the  
above instrument.



*[Handwritten Signature]*  
Notary Public

*[Large 'COPY' watermark]*

REQUESTED BY  
**STEWART TITLE OF DOUGLAS COUNTY**  
IN OFFICIAL RECORDS OF  
DOUGLAS CO., NEVADA

'89 MAR -3 P1:20

SUZANNE BEAUDREAU  
RECORDER **197473**

\$ 9.00 PA. *[Signature]* DEPUTY  
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