

204943LM

After recording, return to:
Mrs. Esther Bosworth
P.O. Box 1866
Bakersfield, California 93303

DEED OF TRUST AND ABSOLUTE ASSIGNMENT
OF RENTS

This Deed of Trust is executed by Charles L. Stewart and Shelagh M. Stewart, husband and wife, as Trustor, to First Nevada Title Company, as Trustee, for the benefit of Grable Ronning, an unmarried woman, as to an undivided 40% interest, Esther Bosworth, a widow, as to an undivided 30% interest, Eric I. Ronning, a single man, as to an undivided 20% interest, Barbara Alexander, as Trustee of the Crosby Ronning Trust I, as to an undivided 7% interest, and Grable Ronning, as custodian of the Crosby Ronning Custodial Account, as to an undivided 3% interest, as Beneficiary.

I

PURPOSE

Trustor irrevocably grants, transfers, and assigns to Trustee, in trust, with power of sale, the real property located in Zephyr Cove, Douglas County, Nevada, commonly described as 172 Snug Harbor and particularly described on Exhibit A attached hereto and incorporated herein by reference, together with the rents, issues, and profits thereof. The real property described above is hereafter referred to as the "Real Property." This Deed of Trust secures the following:

A. The performance of each covenant of Trustor contained in article II.

B. The payment of the indebtedness evidenced by a Promissory Note of the same date as this Deed Of Trust in the principal sum of Three Hundred Forty Thousand Dollars (\$340,000.00), bearing interest on the declining principal balance at the rate of twelve and one-half percent (12.5%) per annum. This Promissory Note is incorporated by reference as a part of this Deed of Trust.

C. The payment of such additional sums, with interest thereon, as may hereafter be loaned by Beneficiary to Trustor when evidenced by a promissory note of Trustor. The promissory note is to state that it is secured by this Deed of Trust. As used in this Deed of Trust, the term "Promissory Note" includes the Promissory Note referred to in paragraph B. above and any subsequent promissory note which evidences the additional advances which are secured by this Deed of Trust.

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WALTER, KEY, MAURER, GARDNER, COX, LEE & ALDRICH, ATTORNEYS AT LAW, RENO, NEVADA

II

COVENANTS OF TRUSTOR

A. Trustor covenants and agrees to pay when due all claims for labor performed and materials furnished for any construction, alterations, or repairs upon the Real Property; to comply with all laws affecting the Real Property or relating to any alterations or improvements that may be made thereon; not to commit or permit waste thereon, nor to commit, suffer, or permit any acts upon the Real Property in violation of any law, covenant, condition, or restriction affecting the Real Property; to maintain the Real Property in a good state of repair and not to make any alterations to the Real Property which would in any way reduce or impair or tend to reduce or impair its value.

B. Trustor covenants and agrees to pay all reconveyance fees charged by Trustee at the time of payment of the indebtedness secured by this Deed of Trust.

C. The following covenants of Section 107.030 of the Nevada Revised Statutes are hereby adopted and made a part of this Deed of Trust: Covenant No. 1, Covenant No. 2 (Fire insurance, replacement value of improvements), Covenant No. 3, Covenant No. 4 (Interest 15%), Covenant No. 5, Covenant No. 6, Covenant No. 7 (Attorneys' fees, reasonable), Covenant No. 8, and Covenant No. 9.

III

DEFAULT

A. Any of the following shall constitute a default under the terms of this Deed of Trust.

1. The failure to make any of the payments required by the terms of the Promissory Note.

2. The failure to perform any of the covenants contained in article II.

3. The default under any of the terms of any deed of trust to which this Deed of Trust is subject and subordinate.

4. The sale, contracting to sell, transfer, or other disposition of the Real Property, or of any part thereof or of any interest therein, whether voluntary or involuntary, or any change in the character or use of the Real Property, without the prior written consent of Beneficiary.

2.

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5. If title of Trustor to any or all of the Real Property or the status of this Deed of Trust as a first and prior lien and security interest on the Real Property shall be endangered by any party whatsoever, and the Trustor shall fail to cure the same upon demand by Beneficiary.

B. Upon any default, Beneficiary may, at Beneficiary's option, declare the full amount of the indebtedness evidenced by the Promissory Note immediately due and payable although the time of maturity as expressed in the Promissory Note may not have then arrived, and Beneficiary shall be entitled to enter upon and take possession of the Real Property, or any part thereof, to perform such acts of repair or protection as may be necessary or proper to preserve the value thereof, to rent or lease the Real Property or any part thereof for such rental, term, and upon such conditions as Beneficiary considers necessary or proper, and to collect the rents, issues, and profits thereof as additional security.

The rights and remedies expressly granted by the terms of this Deed of Trust shall not exclude any other rights or remedies granted by law, and all rights and remedies granted by this Deed of Trust or permitted by law shall be concurrent and cumulative.

IV

ABSOLUTE ASSIGNMENT OF RENTS

As additional security, Trustor hereby grants, transfers, and assigns to Beneficiary the right, power, and authority, to collect the rents, issues, and profits of the real property, during the term of this Deed of Trust provided that Trustor shall retain the right to collect and retain such rents, issues, and profits as they become due and payable so long as Trustor is not in default under the terms of this Deed of Trust. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of the real property or any part thereof in his own name, sue for or otherwise collect such rents, issues, and profits, including those past due and unpaid, and apply the same less losses and expenses of operations and collection, including reasonable attorneys' fees, upon any indebtedness secured thereby, and in such order as Beneficiary may determine. The entering and taking possession of said property, the collection of such rents, issues, and profits and the application thereof to any indebtedness secured by this Deed of Trust, shall not cure or waive any default or notice of default hereunder or invalidate any act pursuant to such notice.

V

PRIOR DEED OF TRUST AND REQUEST FOR SPECIAL NOTICE

This Deed of Trust is executed by Trustor and accepted by Trustee and Beneficiary as a first priority Deed of Trust on the Real Property as represented by Trustor.

VI

CONDEMNATION PROCEEDS

If all or any portion of the Real Property is taken by eminent domain, by inverse condemnation, or for any public or quasi-public use under any statute, all sums paid as a result of the taking shall, to the extent required to discharge all obligations of Trustor which are secured by the terms of this Deed of Trust, be paid to Beneficiary, and the balance remaining, if any, shall be paid to Trustor.

VII

DEFICIENCY JUDGMENT

Trustor agrees to pay any deficiency arising in any manner after the application of the proceeds of any foreclosure sale held by Trustee pursuant to the provisions of this Deed of Trust.

VIII

MISCELLANEOUS

A. Trustee is not obligated to notify any party to this Deed of Trust of any 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.

B. This Deed of Trust shall be binding upon and shall inure to the benefit and detriment of the parties hereto and their respective personal representatives, heirs, successors, and assigns.

C. The waiver of any breach of any of the terms or conditions of this Deed of Trust, or of any of the terms and conditions of the Promissory Note, shall not constitute a waiver of any subsequent breach of the same or of any other term or condition.

D. As used in this Deed of Trust, the masculine, feminine, or neuter gender, and the singular or plural number, shall each be considered to include the others whenever the context so indicates.

E. All notices of default shall be mailed to Trustor at the following address:

Ch L S Stewart

173 Snug Harbor
Zephyr Cove, Nevada 89448

Dated: November 17th, 1989.

TRUSTOR:

Charles L Stewart
Charles L. Stewart

Shelagh M Stewart
Shelagh M. Stewart

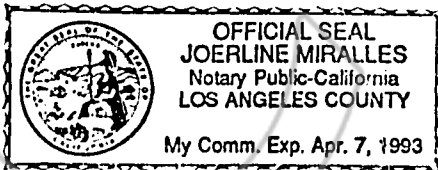
STATE OF CALIFORNIA)

COUNTY OF Los Angeles

SS:

On this 17th day of November, 1989, before me, a Notary Public, personally appeared Charles L. Stewart and Shelagh ~~M~~ *Stewart* who acknowledged that they executed the foregoing instrument.

Joerline Miralles
Notary Public



WALTER P. REY, MAUTH, GATE, COOK, LEE, Y. KALISH, ATTORNEYS AT LAW, RENO, NEVADA

DESCRIPTION SHEET

ALL THAT CERTAIN LOT, PIECE OR PARCEL OF LAND SITUATE IN THE COUNTY OF DOUGLAS, STATE OF NEVADA, DESCRIBED AS FOLLOWS:

A parcel of land situated in and being a portion of the Southwest 1/4 of Section 34, Township 14 North, Range 18 East, M.D.B. & M., described as follows:

COMMENCING at the intersection of the Northern line of Subdivision 5 of Lot 3, Section 34, Township 14 North, Range 18 East, M.D.B. & M., of the A. COHN TRACT, a plat of which is recorded in the Douglas County Recorder's Office, with the Western line of U. S. Highway 50, said POINT OF BEGINNING marked by a three inch iron pipe monument, from which the centerline station 299 + 35.85 P. O. T., bears South 89°53' East, a distance of 41.98 feet; running thence South 17°32' East, along said Western line of U. S. Highway 50, a distance of 128.10 feet to an iron pipe monument; thence North 89°07' West, a distance of 401.42 feet to the TRUE POINT OF BEGINNING; thence North 89°07' West, a distance of 25.00 feet, the land determined point being herein referred to as "Point A"; thence North 89°07' West, a distance of 177.86 feet, more or less, to the shore line of Lake Tahoe; thence Northerly along said shore line of Lake Tahoe, a distance of 40.00 feet, more or less, to a line drawn North 89°07' West from a point distance North 0°07' East, a distance of 40.00 feet from "Point A" above mentioned; thence South 89°07' East along the line so drawn, a distance of 177.30 feet, more or less, to a line drawn North 0°07' West from "Point A" above mentioned; thence North 0°07' West, a distance of 67.82 feet; thence South 61°00' East, a distance of 28.55 feet to a line drawn North 0°07' East from the TRUE POINT OF BEGINNING; thence South 0°07' West, a distance of 94.00 feet, more or less, to the TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM all that portion of said land lying below the high water mark of Lake Tahoe.

Assessor's Parcel No. 03-200-05

REQUESTED BY
FIRST NEVADA TITLE COMPANY
IN OFFICIAL RECORDS OF
DOUGLAS COUNTY, NEVADA

'89 NOV 21 P12:00

SUZANNE L. CLAU
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