

1 **RECORDING REQUESTED BY AND**
2 **WHEN RECORDED MAIL TO:**
3 **SCARPELLO & ALLING, LTD.**
4 **Post Office Box 3390**
5 **Stateline, NV 89449**

6 **MAIL TAX STATEMENTS TO:**
7 **SUE A. GARDNER**
8 **Post Office Box 1700**
9 **Zephyr Cove, NV 89448**

10 **DEED OF TRUST**

11 This Deed of Trust, made this 28th day of November, 1994,
12 between SUE A. GARDNER, a widow, herein called TRUSTOR, whose
13 address is Post Office Box 1700, Zephyr Cove, Nevada, 89448, and
14 SCARPELLO & ALLING, LTD., herein called TRUSTEE, and the ESTATE OF
15 JACK ALLEN GARDNER, c/o SUE A. GARDNER, Executrix, herein called
16 BENEFICIARY, whose address is Post Office Box 1700, Zephyr Cove,
17 Nevada, 89448.

18 **W I T N E S S E T H:**

19 That TRUSTOR grants to TRUSTEE in Trust, with power of sale,
20 those properties in the County of Douglas, State of Nevada,
21 described as:

22 Lot 11, in Block A, as shown on the map of
23 ROUND HILL VILLAGE UNIT NO. 2, filed August 31,
24 1965 in the office of the County Recorder of
25 Douglas County, Nevada as Document No. 29312.

26 APN 05-312-11

27 Lot 13 in Block A, as shown on the map of ROUND
28 HILL VILLAGE UNIT NO. 2, filed August 31, 1965
in the office of the County Recorder of Douglas
County, Nevada, as Document No. 29312

(subject to a prior mortgage to First
Interstate Bank, Nevada from JACK A. GARDNER
and SUE A. GARDNER, husband and wife, recorded
October 10, 1989 at Book 1089, page 1096,
document no. 212721, in the county recorder's
office of Douglas County, Nevada).

APN 05-322-02

Together with the rents, issues 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
and profits.

For the purpose of securing 1) payment of the sum of TWO
HUNDRED THOUSAND DOLLARS (\$200,000.00), with interest thereon
according to the terms of the Promissory Note of even date herewith
made by TRUSTOR, payable to order of BENEFICIARY, and extensions or
renewals therefor, 2) the performance of each agreement of TRUSTOR

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Lake Tahoe Office
276 Kingsbury Grade, Suite 2000
P. O. Box 3390
Lake Tahoe, NV 89449-3390
(702) 598-6676

Scarpello & Alling, Ltd.
Attorneys At Law

Carson City Office
600 E. William Street, Suite 300
Carson City, NV 89701-4052
(702) 882-4577

1 incorporated by reference or contained herein, and 3) payment of
2 additional sums and interest thereon which may hereafter be loaned
3 to TRUSTOR, or their successors or assigns when evidenced by a
Promissory Note or Notes reciting that they are secured by this Deed
of Trust.

4 TRUSTOR represents and warrants that TRUSTOR is the true and
5 lawful owner of the premises and has the right to grant and convey
6 the property subject to this Trust and that the properties are free
7 and clear of all encumbrances, except for restrictions and easements
8 of record, taxes and assessments not yet due or delinquent, and such
9 encumbrances in the approximate amount of ONE HUNDRED ELEVEN
THOUSAND ONE HUNDRED FORTY-FIVE DOLLARS (\$111,145.00) as described
following the legal description of the property set forth above.
TRUSTOR further covenants that TRUSTOR will warrant and defend the
same against all lawful claims of all persons except as provided
above.

10 The undersigned TRUSTOR requests that a copy of any notice of
11 default and any notice of sale hereunder be mailed to him at his
address hereinbefore set forth.

12 A. To protect the security of this Deed of Trust, TRUSTOR
13 agrees:

14 (1) To keep any property in good condition and repair,
15 not to remove or demolish any building thereon; to complete or
16 restore promptly and in good and workmanlike manner any building
17 which may be constructed, damaged or destroyed thereon and to pay
18 when due all claims for labor performed and materials furnished
19 therefor; to comply with all laws affecting said property or
requiring any alterations or improvements to be made thereon; not to
commit or permit waste thereof; not to commit, suffer or permit any
act upon said property in violation of law; to cultivate, irrigate,
fertilize, fumigate, prune and do all other acts which from the
character or use of said property may be reasonably necessary, the
specific enumerations herein not excluding the general.

20 (2) To provide and maintain fire insurance for at least
21 80% of the replacement value of improvements located on the
22 property. All such insurance proceeds shall be paid to or
23 immediately given to BENEFICIARY, who shall apply such amounts to
24 the indebtedness secured hereby or to the restoration or repair of
the property damaged. The amount collected under any fire or other
insurance policy may be applied upon any indebtedness secured hereby
and in such order as BENEFICIARY may determine. 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.

25 (3) To appear in and defend any action or proceeding
26 purporting to affect the security hereof or the rights or powers of
27 BENEFICIARY or TRUSTEE, and to pay all costs and expenses, including
28 cost of evidence of title and attorney's fees in a reasonable sum,
if any such action or proceeding in which BENEFICIARY or TRUSTEE may
appear, and in any suit brought by BENEFICIARY to foreclose this
Deed.

Lake Tahoe Office
276 Kingsbury Circle, Suite 2000
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1 (4) To pay: at least ten days before delinquency and
2 immediately furnish BENEFICIARY with proof of payment all taxes and
3 assessments affecting said property, including assessments on
4 appurtenant water stock; when due, all encumbrances, charges and
5 liens with interest, on said property or any part thereof, which
6 appear to be prior or superior hereto; all costs, fees and expenses
7 of this Trust.

8 Should TRUSTOR fail to make any payment or to do any act
9 as herein provided, the BENEFICIARY or TRUSTEE, but without
10 obligation so to do and without notice to or demand upon TRUSTOR and
11 without releasing TRUSTOR from any obligation hereof, may: make or
12 do the same in such manner and to such extent as either may deem
13 necessary to protect the security hereof, BENEFICIARY or TRUSTEE
14 being authorized to enter upon said property for such purposes;
15 appear in and defend any action or proceeding purporting to affect
16 the security hereof or the rights or powers of BENEFICIARY or
17 TRUSTEE; pay, purchase, contest or compromise any encumbrance,
18 charge or lien which in the judgment of either appears to be prior
19 or superior hereto; and in exercising any such powers, pay necessary
20 expenses, employ counsel and pay his reasonable fees.

21 (5) To pay immediately and without demand all sums so
22 expended by BENEFICIARY or TRUSTEE, with interest from date of
23 expenditure at the rate of 18% per annum until paid, and to pay for
24 any statement provided for by law in effect at the date hereof
25 regarding the obligation secured hereby any amount demanded by the
26 BENEFICIARY not to exceed the maximum allowed by law at the time
27 when said statement is demanded.

28 (6) In the event of sale or transfer, or of any contract
or agreement to sell or transfer any interest in the real property
subject to this Deed of Trust securing the Promissory Note, the
unpaid balance under the Promissory Note securing this Deed of Trust
shall become due and payable at the option of the BENEFICIARY; or
upon such transfer, the BENEFICIARY may in its sole and absolute
discretion allow an assumption of said Promissory Note or payments
of the required service charge and on such conditions as the
BENEFICIARY may require.

B. It is mutually agreed:

(1) That 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 and shall be paid to BENEFICIARY who
may apply or release such moneys received by him in the same manner
and with the same effect as above provided for disposition of
proceeds of fire or other insurance.

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

(3) That at any time of from time to time, without
liability therefor and without notice, upon written request of

1 BENEFICIARY and presentation of this Deed and said Note for
2 endorsement, and without affecting the personal liability of any
3 person for payment of the indebtedness secured hereby, TRUSTEE may:
4 reconvey any part of said property; consent to the making of any map
or plat thereof; join in granting any easement thereon; or join in
any extension agreement or any agreement subordinating the lien or
charge hereof.

5 (4) That upon written request of BENEFICIARY stating that
6 all sums secured hereby have been paid, and upon surrender of this
7 Deed and said Note to TRUSTEE for cancellation and retention or
8 other disposition as TRUSTEE in its sole discretion may choose and
9 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."

10 (5) That as additional security, TRUSTOR hereby gives to
11 and confers upon BENEFICIARY the right, power and authority, during
12 the continuance of these trusts, to collect the rents, issues and
13 profits of said property, reserving unto TRUSTOR the right, prior to
14 any default by TRUSTOR in payment of any indebtedness secured hereby
15 or in performance of any agreement hereunder, to collect and retain
16 such rents, issues and profits as they become due and payable. Upon
17 any such default, BENEFICIARY may at any time without notice, either
18 in person, by agent or by a receiver to be appointed by a court, and
19 without regard to the adequacy of any security for the indebtedness
20 hereby secured, enter upon and take possession of said 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 costs and expenses of operation and collection,
including reasonable attorney's fees, upon any indebtedness secured
hereby, and in such order as BENEFICIARY may determine. The
entering upon and taking possession of said property, the collection
of such rents, issues and profits and the application thereof as
aforesaid, shall not cure or waive any default or notice of default
hereunder or invalidate any act done pursuant to such notice.

21 (6) That upon default by TRUSTOR in payment of any
22 indebtedness secured hereby or in performance of any agreement
23 hereunder, BENEFICIARY may declare all sums secured hereby
24 immediately due and payable by delivery to TRUSTEE of written
25 declaration of default and demand for sale and of written notice of
default and of election to cause to be sold said property which
notice TRUSTEE shall cause to be filed for record. BENEFICIARY also
shall deposit with TRUSTEE this Deed, said Note and all documents
evidencing expenditures secured hereby.

26 After the lapse of such time as may then be required by
27 law following the recordation of said notice of default, and notice
28 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, at public auction to
the highest bidder for cash in lawful money of the United States,

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Lake Tahoe Office
276 Kingsbury Circle, Suite 2000
P. O. Box 3390
Lake Tahoe, NV 89449-3390
(702) 588-6676

Scarpello & Aling, Ltd.
Attorneys At Law

Carrara City Office
600 E. William Street, Suite 300
Carrara City, NV 89701-4052
(702) 882-4577

Lake Tahoe Office
276 Kingsbury Grade, Suite 2000
P. O. Box 3390
Lake Tahoe, NY 89449-3390
(702) 566-6676

Scarpello & Alling, Ltd.
Attorneys At Law

Carson City Office
600 E. William Street, Suite 300
Carson City, NV 89701-4052
(702) 882-4577

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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, express 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 the amount allowed by law in effect at the date hereof; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

(7) BENEFICIARY, or any successor in ownership of any indebtedness secured hereby, 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 by the BENEFICIARY and duly acknowledged 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 must contain the name of the original TRUSTOR, TRUSTEE and BENEFICIARY hereunder, the book and page where this Deed is recorded and the name and address of the new TRUSTEE.

(8) That this Deed 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 mean the owner and holder, including pledges of the Note secured hereby, whether or not named as BENEFICIARY herein. In this Deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter and the singular number includes the plural.

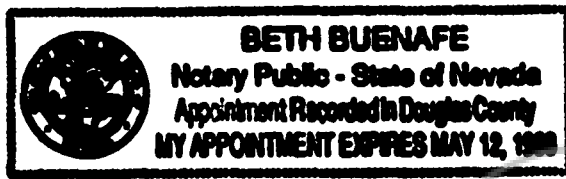
(9) That TRUSTEE accepts this trust when this Deed, duly executed and acknowledged, is made a public record as provided by law. TRUSTEE is not obligated to notify any party hereto of pending sale under any other deed of trust or of any action or proceeding in which TRUSTOR, BENEFICIARY or TRUSTEE shall be a party unless brought by TRUSTEE.


SUE A. GARDNER

1 STATE OF NEVADA)
: SS.
2 COUNTY OF DOUGLAS)

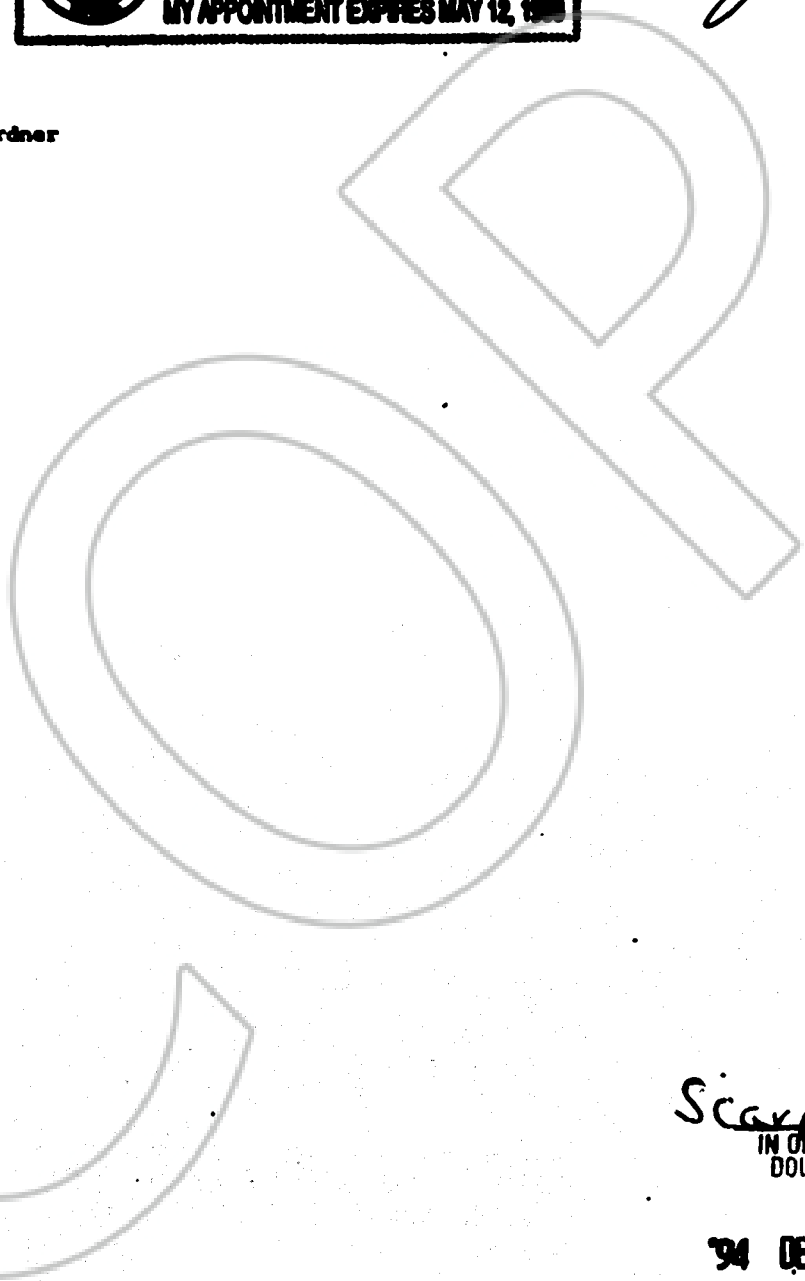
3 On the 28th day of November, 1994, personally appeared before
4 me, the undersigned Notary Public in and for the County and State
5 aforesaid, SUE A. GARDNER, the person described herein and who
6 executed the above instrument freely and voluntarily and for the
7 purposes therein mentioned.

8 IN WITNESS WHEREOF, I have hereunto set my hand and affixed my
9 official seal the day and year in this certificate first above
10 written.



Beth Buenafe
Notary Public

11 lg\deeds\gardner



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Scarpello & Alling, Ltd.
Attorneys At Law

Carson City Office
600 E. William Street, Suite 300
Carson City, NV 89701-0532
(702) 882-4577

REQUESTED BY
Scarpello & Alling
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA.

94 DEC -9 10:34

SUZANNE BEAUDREAU
RECORDER

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