

Return to:

WESTERN TITLE CO., INC.

298 Kingsbury Grade

P.O. Box 3745

Stateline, NV 89449

S61610JB

DEED OF TRUST

THIS DEED OF TRUST, made this 17th day of June, 1996, by and between Gardner Enterprises, LLC, a Nevada Limited Liability Company (herein called "Trustor"), Western Title Company, Inc., (herein called "Trustee"), and ^{Edward F. Harris and Sandra E. Harris} The Edward F. and Sandra E. Harris Trust U/A/D Trustees of 6-19-91 (herein called "Beneficiary");

WITNESSETH:

Trustor does hereby grant, bargain, sell and convey unto Trustee, in trust, with power of sale, all that certain real property situate in the County of Douglas, State of Nevada, as is more particularly described on Exhibit "A" attached hereto and incorporated herein by this reference;

TOGETHER WITH all easements and rights of way used in connection therewith or as a means of access thereto, and all and singular the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, all water rights and the reversion and reversions, remainder and remainders, rents, issues and profits thereof (all collectively referred to as the "Property");

TO HAVE AND TO HOLD the same unto the Trustee, its successors and assigns, for the purpose of securing:

- (1) Performance of each agreement of Trustor contained in this Deed of Trust;
- (2) Payment of the indebtedness evidenced by one promissory note of even date herewith in the principal sum of Three Hundred Thousand Dollars and No/100 (\$300,000) to Beneficiary or order;
- (3) Payment of all other sums with interest thereon becoming due or payable under the provisions of this Deed of Trust to either Trustee or to Beneficiary;
- (4) Payment of any additional sums and interest thereon which may hereafter be loaned to Trustor, or his successors or assigns, when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust executed and acknowledged at a time when the maker thereof is the only or one of the fee owners of record of the Property

Trustor further covenants and agrees as follows;

1. Trustor shall pay when due all claims for labor performed and materials furnished for any construction, alteration or repair on the Property, comply with all laws affecting the Property or relating to any alterations or improvements that may be made on it. Trustor shall not Commit or permit waste on the Property and shall not commit, suffer or permit any acts upon the Property in violation of any law, covenant, condition or restriction affecting the Property. Trustor shall keep the Property in good condition and repair and shall not remove or demolish any building or other improvements on the Property. Trustor shall complete or restore promptly and in good and workmanlike manner any building or other improvements which may be constructed, damaged or destroyed on the Property.

2. Trustee agree to release the loan on individual lots if the Trustor pays to Trustee the sum of One Hundred and Five Thousand (\$105,000) Dollars. Trustor may specify any lot.

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

4. Should Trustor fail to make any payment or to do any act provided in this Deed of Trust, 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; (a) make or do the same in such manner and to such extent as either may deem necessary to protect the security of this Deed of Trust, Beneficiary or Trustee being authorized to enter upon the Property for such purposes; (b) appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; (c) pay, purchase, contest or comprise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior to this Deed of Trust; and (d) in exercising any such power, pay necessary expenses, employ counsel and pay his reasonable fees.

5. Trustor shall pay all reasonable costs, charges and expenses, including attorney fees, reasonably incurred or paid at anytime by the Beneficiary, because of the failure on the part of the Trustor to perform, comply with and abide by each and every stipulation, agreement, condition and covenant of this Deed of Trust and any promissory note or other obligation secured by this Deed of Trust.

6. Any award of damages in connection with any condemnation for public use of or injury to the 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.

7. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive the right either to require prompt payment when due of all other sums so secured or to

declare default for failure so to pay.

8. Trustor hereby assigns to the Trustee any and all rents, issues and profits of the Property and hereby authorizes the Trustee, without waiving or affecting the right to foreclosure or any other right hereunder, to take possession of the Property, or any part thereof; and to rent the Property for the account of the Trustor and to sue for or otherwise collect said rents, issues and profits, including those past due and unpaid, and apply the same, less the cost and expenses of operation and collection, including reasonable attorney fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine at Beneficiary's sole discretion. However, Trustor reserves the license to, prior to any default by Trustor in the payment of any indebtedness secured by this Deed of Trust, or in the performance of any agreement herein or secured hereby, to collection and retain such rents, issues and profits.

9. 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 hereby. The Beneficiary may, without notice to or consent of Trustor, extend the time of payment or change any of the other terms and conditions of any indebtedness owed to Beneficiary by any successor in interest of the Trustor, without discharging the Trustor from any liability on any indebtedness owed by Trustor to Beneficiary or any liability or obligation of Trustor pursuant to this Deed of Trust.

10. The rights and remedies hereby granted shall not exclude any other rights or remedies granted by law, and all rights and remedies granted hereunder or permitted by law shall be concurrent and cumulative.

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

12. It is expressly agreed that the trusts created hereby are irrevocable by the Trustor.

13. The benefits of the covenants, terms, conditions and agreements herein contained shall accrue to, and the obligations hereof 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.

14. In the event that Trustor, or any successor in interest to Trustor in the Property hereby encumbered, shall sell, transfer, encumber, mortgage, assign or convey, such Property, or any portion thereof, or any interest therein, at the option of Beneficiary, the obligation secured by

this Deed of Trust shall forthwith become due and payable although the time of maturity as expressed therein shall not have arrived. Consent to one such transaction shall not be deemed to be a waiver of the right to require consent to future or successive transactions.

IN WITNESS WHEREOF, the Trustor has caused this Deed of Trust to be executed as of the day and year first above written.

Gardner Enterprises, LLC

By: Richard D. Gardner
Richard D. Gardner, Member

By: Nancy N. Gardner
Nancy N. Gardner, Member

By: Richard K. Gardner
Richard K. Gardner, Member

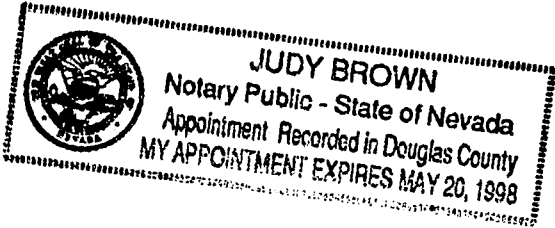
ACKNOWLEDGMENT

State of Nevada

County of Douglas

On June 17, 1996, personally appeared before me, a Notary Public, Richard D. Gardner who acknowledged to me that he executed the above instrument.

Judy Brown
Notary Public Judy Brown



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State of Nevada

County of Douglas

On June 17, 1996, personally appeared before me, a Notary Public, Nancy N. Gardner, who acknowledged to me that he executed the above instrument.

Judy Brown
Notary Public Judy Brown



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On June 17, 1996, personally appeared before me, a Notary Public, Richard K. Gardner, who acknowledged to me that he executed the above instrument.

Judy Brown
Notary Public Judy Brown



390159

BK 06 96 PG 2798

EXHIBIT "A"

Lots 108, 109 and 114 as said Lots are set forth on the Final Map of GENOA LAKES PHASE 3, UNIT 2, a Planned Unit Development, recorded May 1, 1995 in Book 595, Page 78, Document No. 361251 in Official Records of Douglas County, Nevada.

COPY

REQUESTED BY
WESTERN TITLE COMPANY, INC.
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

'96 JUN 17 P4:00

LINDA SLATER
RECORDER

\$12.00 PAID PL DEPUTY

390159
BK 0696 PG 2799