

Order No. 96031870

When recorded mail to:
MR. & MRS. WENDELL QUILLEN
2480 FREMONT DRIVE
MINDEN, NV 89423

DEED OF TRUST WITH ASSIGNMENT OF RENTS

THIS DEED OF TRUST, made September 30, 1996 between WILLIAM LEE STUGART, JR. and SUSAN L. STUGART, husband and wife, herein called "Trustor", whose address is P.O. Box 282, Minden, NV, 89423, STEWART TITLE OF DOUGLAS COUNTY, a Nevada corporation, herein called "Trustee", and WENDELL QUILLEN and SUZY QUILLEN, husband and wife, as joint tenants, herein called "Beneficiary", whose address is 2480 Fremont Drive, Minden, NV, 89423;

W I T N E S S E T H

That Trustor irrevocably grants to Trustee in trust, with power of sale, all interest of Trustor in that certain property situate in the County of Douglas, State of Nevada, more particularly described as follows:

Parcel 3-A, as shown on that certain Parcel Map of JOE F. AND SUZANNE SCHULZ, filed for record in the office of the County Recorder, State of Nevada on December 20, 1988, in Book 1288, at Page 2752 as File No. 192990, Official Records of Douglas County, Nevada.

Assessors Parcel No. 21-020-47

TOGETHER WITH the tenements, hereditaments and appurtenances thereunto belonging or appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, subject, however, to the right of Beneficiary, during any period of default hereunder, and without waiver of such default, to collect said rents, issues and profits by any lawful means, and to apply the same, less costs and expenses of collection, to any indebtedness secured hereby.

FOR THE PURPOSE OF SECURING: (1) Payment of the principal sum of \$150,000.00, according to the terms of a promissory note or notes of even date herewith made by Trustor, payable to order of Beneficiary, and all extensions or renewals thereof; (2) the performance of each agreement of Trustor incorporated herein by reference or contained herein; and (3) payment of such additional sums which may hereafter be loaned to Trustor by Beneficiary when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust.

AND THIS INDENTURE FURTHER WITNESSETH:

1. Trustor agrees to properly care for and keep said property in good condition and repair; not to remove or demolish any building thereon; to complete in a good and workmanlike manner any building which may be constructed thereon, and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws, ordinances and regulations relating to any alterations or improvements made thereon; not to commit or permit any waste thereof; not to commit, suffer or permit any act to be done in or upon said property in violation of any law, covenant, condition or restriction affecting said property; to cultivate, irrigate, fertilize, fumigate, prune and/or do any other act or acts, all in a timely and proper

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manner, which, from the character or use of said property, may be reasonably necessary, the specific enumerations herein not excluding the general.

2. Trustor agrees to pay and discharge all costs, fees and expenses of this trust incurred in connection with any default by Trustor.

3. During the continuance of this trust, Trustor covenants to keep all buildings that may now or at any time be on said property in good repair and insured against loss by fire, with extended coverage endorsement, in a company or companies authorized to issue such insurance in the State of Nevada. Said insurance shall be in such sum or sums as shall equal the total indebtedness secured by this Deed of Trust and all obligations having priority over this Deed of Trust, or the maximum full insurable value of such buildings, whichever is less. Said insurance shall be payable to Beneficiary to the amount of the unsatisfied obligation to Beneficiary hereby secured. The policy or policies of said insurance shall be delivered to Beneficiary or the collection agent of Beneficiary, as further security, and in default thereof, Beneficiary may procure such insurance and/or make such repairs, and expend for either of such purposes such sum or sums as Beneficiary shall deem necessary. The amount collected by Beneficiary under any fire or other insurance policy may be applied by Beneficiary upon the indebtedness secured hereby and in such order as Beneficiary may determine, or, at the option of Beneficiary, the entire amount so collected, or any part thereof, may be released to Trustor. 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.

4. Trustor promises and agrees that if, during the existence of this trust, there be commenced or pending any suit or action affecting said property or any part thereof, or the title thereto, or if any adverse claim for or against said property, or any part thereof, be made or asserted, he will appear in and defend any such matter purporting to affect the security and will pay all costs and damages arising because of such action.

5. 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 herein provided for disposition of proceeds of insurance.

6. Trustee shall be under no obligation to notify any party hereto of any pending sale of said property, whether such sale is by foreclosure or otherwise, or of any action of proceeding in which Trustor or Beneficiary or Trustee shall be a party, unless brought by Trustee.

7. 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, as herein provided, for failure to so pay.

8. At any time, and from time to time, without liability therefor and without notice to Trustor, upon written request of Beneficiary and presentation of this Deed of Trust and the note secured hereby for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby or the effect of this Deed of Trust upon the remainder of said property, Trustee may: reconvey any part of said property; consent in writing to the making of any map or plat thereof; join in granting any easement thereon, or join in any extension agreement or

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subordination agreement in connection herewith.

9. Upon receipt of written request from Beneficiary reciting that all sums secured hereby have been paid and upon surrender of this Deed of Trust and the note secured hereby to Trustee for cancellation and retention, or such other disposition as Trustee, in its sole discretion, may choose, and upon payment of its fees, the Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters of fact shall be conclusive proof of the truth thereof. The Grantee in such reconveyance may be described in general terms as "the person or persons legally entitled thereto".

10. Should Trustor default in the payment of any indebtedness secured hereby, or in the performance of any of the covenants and agreements herein contained or incorporated herein by reference, Beneficiary may declare all sums secured hereby immediately due and payable.

11. The following covenants No. 1, 3, 4 (interest 12%), 5, 6, 7 (counsel fees-a reasonable percentage), 8 and 9 of Nevada Revised Statutes 107.030, are hereby adopted and made a part of this Deed of Trust.

12. Trustor agrees to pay any deficiency arising from any cause after application of the proceeds of the sale held in accordance with the provisions of the conveyance hereinabove adopted by reference.

13. 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. It is expressly agreed that the Trust created hereby is irrevocable by Trustor.

14. Trustee accepts this trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law, reserving, however, unto the Trustee, the right to resign from the duties and obligations imposed herein whenever Trustee, in its sole discretion, deems such resignation to be in the best interest of the Trustee. Written notice of such resignation shall be given to Trustor and Beneficiary.

15. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural. The term "Beneficiary" includes any future holder of the note secured hereby. The term "Trustor" includes the term "Grantor".

16. Upon the prior written request of Trustor, Beneficiary agrees, upon the terms and conditions hereinafter set forth, to execute a document subordinating the encumbrance of this Deed of Trust to a Deed of Trust securing a loan obtained by Trustor. The conditions are as follows:

(a) The loan, in an amount not to exceed \$100,000.00, shall be obtained from a lender qualified to do business in the State of Nevada.

(b) The interest rate upon the loan shall not exceed that then being charged by reputable lenders for similar construction loans.

(c) Funds from said loan shall be disbursed by the lender, or by a builder's control of a commercial institution qualified to do business in the State of Nevada.

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TRUSTOR:

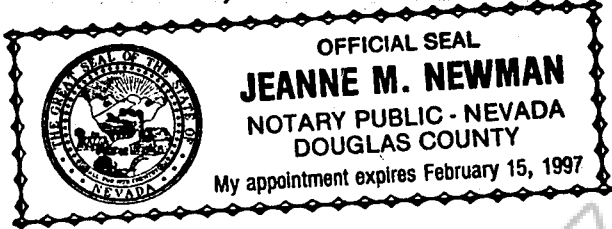
William Lee Stugart Jr.
William Lee Stugart, Jr.

Susan L. Stugart
Susan L. Stugart

STATE OF NEVADA)
) SS.
COUNTY OF DOUGLAS)

This instrument was acknowledged before me this 30th day of September, 1996, by WILLIAM LEE STUGART, JR. and SUSAN L. STUGART.

Jeanne M. Newman
Notary Public



The Beneficiary hereby joins in the execution of this Deed of Trust for the purpose of agreeing and consenting to the provision contained in Paragraph 16 herein.

DATED: September 30, 1996.

Wendell Quillen
Wendell Quillen

Suzy Quillen
Suzy Quillen

STATE OF Nevada)
) SS.
COUNTY OF Douglas)

This instrument was acknowledged before me this 30 day of September, 1996, by WENDELL QUILLEN and SUZY QUILLEN.

Jeanne M. Newman
Notary Public



REQUESTED BY
Stewart Title of Douglas County
OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

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LINDA SLATER
RECORDER

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