

NOVASEL & SCHWARTE
BOX 11355
SO. LAKE TAHOE, CA. 96155

DEED OF TRUST

THIS DEED OF TRUST entered into this 29th day of June, 1998, by and between LORI HAGGOTT, an unmarried woman, hereinafter called the "Trustor", STEWART TITLE OF DOUGLAS COUNTY, a Nevada corporation, hereinafter called the "Trustee", and NOVASEL & SCHWARTE INVESTMENT, INC., dba WESTERN HIGHLAND MORTGAGE COMPANY, hereinafter called the "Beneficiary",

W I T N E S S E T H:

That Trustor hereby grants, bargains, sells, conveys and confirms unto Trustee, in trust with power of sale, all that certain property situate in the County of Douglas, State of Nevada, being Assessor's Parcel No. 25-532-07, commonly known as 1032 Aspen Grove Circle, Minden, Nevada, more particularly described as follows, to wit:

Lot 7 of Block C as set forth on the final map of MOUNTAIN GLEN, PHASE 2, filed for record in the Office of the County Recorder of Douglas County, State of Nevada, on September 28, 1989, in Book 989, Page 3823, as Document No. 211874.

AND, ALSO, all of the estate, interest, homestead or other claim, as well in law as in equity, which Trustor now has or may hereafter acquire in and to said property, together with all easements and rights of way used in connection therewith or as a means of access thereto, and all water and water rights in connection therewith or share of stock evidencing such water or water rights, and all fixtures now or hereafter attached to or used in connection with the premises above described, together with all and singular the tenements, the hereditaments and the appurtenances thereunto belonging or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof.

TO HAVE AND TO HOLD the same unto the said Trustee and its successors for the purpose of securing payment of an indebtedness in the sum of ONE HUNDRED TWENTY-THREE THOUSAND and no/100's DOLLARS (\$123,000.00) as follows:

\$123,000.00 evidenced by a Promissory Note of even date herewith with interest thereon, according to the terms of said Note, which Note is specifically referred to, and by said reference is made a part hereof, as if set out in full, executed by Trustor and delivered to Beneficiary, and payable to its order and any and all extensions or renewals thereof; payment of such additional sums with interest thereon, as may be hereafter loaned by the Beneficiary to the Trustor when evidenced by a Promissory Note or notes of Trustor; payment of all other sums with interest thereon becoming due and payable under the provisions hereof to Trustee or to the Beneficiary and the performance and discharge of each and every obligation, covenant and agreement of Trustor herein contained.

AND THIS INDENTURE FURTHER WITNESSETH:

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

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

THIRD: The Trustor will continuously maintain extended coverage, hazard and other insurance, of such type or types and amounts as the Beneficiary may from time to time require, on the improvements now or hereafter on said premises; all insurance, including the insurance above mentioned, shall be in companies approved by the Beneficiary. The Policies and renewals thereof shall be held by the Beneficiary and have attached thereto loss payable clauses in favor of and in form acceptable to the Beneficiary. In the event of loss, the Trustor will give immediate notice by mail to the Beneficiary, who may make proof of loss if not made promptly by Trustor. Each insurance company concerned is hereby authorized and directed to make payment for such loss directly to the Trustor and the Beneficiary jointly. The insurance proceeds, or any part thereof, may be applied by the Trustor at her option either to the reduction of the indebtedness hereby secured or to the restoration or repair of the property damaged. In the event of the foreclosure of this Deed of Trust or other transfer of title to said premises in extinguishment of the indebtedness secured hereby, all right, title and interest of the Trustor in and to any insurance policies then in force shall pass to the purchaser or grantee.

FOURTH: Trustor agrees that she 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.

FIFTH: If the premises or any part thereof be condemned under any power of eminent domain, or acquired for a public use, the damages, proceeds and the consideration for such acquisition, to the extent of the full amount of indebtedness upon this Deed of Trust and the Note secured hereby remaining unpaid, are hereby assigned by the Trustor to the Beneficiary and shall be paid forthwith to the Beneficiary to be applied by it on account of the last maturing installments of such indebtedness.

SIXTH: Trustor will pay all reasonable costs, charges and expenses, including attorneys' fees, reasonably incurred or paid at any time 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 the Promissory Note and this Deed of Trust or either of them.

SEVENTH: Trustor hereby assigns to the Trustee all rents, income, maintenance fees and other benefits to which Trustor may now or hereafter be entitled from the property described hereinabove and to be applied against the indebtedness or other sums secured hereby provided, however, that permission is hereby given to Trustor so long as no event of default has occurred hereunder to collect and use such rents, income, maintenance fees and other benefits as they become due and payable but not in advance thereof. Upon the occurrence of any such event of default, the permission hereby given to Trustor to collect such rents, income, maintenance fees and other benefits from the property described hereinabove shall automatically terminate.

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

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any payee of the indebtedness hereby secured or any transferee thereof, whether by operation of law or otherwise.

ELEVENTH: This Deed of Trust is executed by Trustor and accepted by Beneficiary with the understanding and upon the express condition that if Trustor should make default in the performance to Beneficiary of any of the covenants and 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: The trust created hereby is irrevocable by the Trustor.

THIRTEENTH: The undersigned Trustor requests that a copy of any notice of default and of any notice of sale hereunder be mailed to them at the following address: 1032 Aspen Grove Circle, Minden, Nv. 89423

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

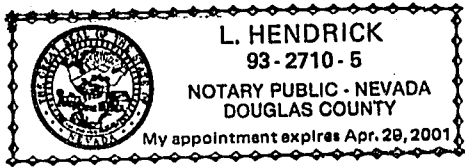
IN WITNESS WHEREOF, the Trustor has caused this Deed of Trust to be executed the day and year first above written.


LORI HAGGOTT

STATE OF Nevada)
COUNTY OF Douglas) ss.

This instrument was acknowledged before me on June 9, 1998, by LORI HAGGOTT, an unmarried woman.

L. Hendrick
Notary Public



COOPER

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

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LINDA SLATER
RECORDER
\$ 11.00 PAID K2 DEPUTY

McDONALD CARANO WILSON McCUNE
BERGIN FRANKOVICH & HICKS LLP
ATTORNEYS AT LAW
RENO, NEVADA 89505-2670

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