

When recorded mail to:

First Choice Mortgage Corp
479 E. Plumb Lane
Reno, Nevada 89502

W18180CJWB

SPACE ABOVE THIS LINE FOR RECORDER'S USE

DEED OF TRUST

THIS DEED OF TRUST made September 18, 1998, between Mary Lou Watson, an unmarried woman herein called TRUSTOR, whose address is P.O. Box 2734, Carson City, Nevada 89702, and Samuel B. Birchill and Carol Anne Birchill, husband and wife as joint tenants, herein called BENEFICIARY, Western Title Co., herein called TRUSTEE.

WITNESSETH: That Trustor irrevocably GRANTS, TRANSFERS AND ASSIGNS to TRUSTEE IN TRUST WITH POWER OF SALE, that property in Douglas County, Nevada, described as:

Lot 78, in Block B, as shown on the map of HIGHLANDS ESTATES UNIT NO.2, filed for record in the office of the County Recorder of Douglas County, State of Nevada, on January 27, 1978, in Book 178, Page 1633, as Document No. 17090.

APN: 13-226-34

AND ALSO, all the estate, interest, homestead or other claim, in law or in equity, which the 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 here-after attached to or used in connection with the premises above described, together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in any way appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof.

FOR THE PURPOSE OF SECURING:

- (1) Performance of each agreement of the Trustor herein contained.
- (2) Payment of an indebtedness in the sum **\$40,000.00** with interest according to the terms of a Promissory Note of even date herewith, executed by the Trustor delivered to the Beneficiary, and payable to the order of the Beneficiary, which Note with any and all extensions thereof is incorporated herein by reference.
- (3) Payment of all other sums with interest which may become due or payable under the provisions of this Note to either the Trustee or the Beneficiary.

TO PROTECT THE SECURITY OF THIS DEED OF TRUST:

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

SECOND: The following covenants Nos. 1, 3, 4 (13%), 5, 6, 7(Reasonable%), 8, and 9 of Nevada Revised Statutes 107.030 are hereby adopted and made a part of this Deed of Trust.

THIRD: Trustor agrees that he 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.

FOURTH: Trustor agrees to provide and maintain fire, hazard, and extended coverage insurance, insuring the property and any and all improvements upon or to be constructed upon the premises, in a company satisfactory to, and the loss payable to, the Beneficiary and the Trustor, as their respective interests may appear.

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This insurance shall be in the amount of the fair and reasonable market value of the real property and its improvements, with the minimum amount being the amount of the note secured by this Deed of Trust plus junior loans if any.

FIFTH: Any award of damages in connection with any condemnation for public use of or injury to this property or any part thereof significantly affecting the value of the security 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.

SIXTH: Trustor shall pay all reasonable costs, charges and expenses, including attorney's fees, reasonably incurred or paid at any time by the Beneficiary because of the failure on the part of Trustor to perform, comply with, and abide by each and every stipulation, agreement, condition and covenant of the Promissory Note secured hereby and this Deed of Trust.

SEVENTH: Trustor hereby assigns to the Beneficiary the right, power, and authority, during the continuance of this Trust, to collect the rents, issues, and profits of the property, reserving unto the Trustor the right, prior to any default as defined in this Deed of Trust, by the Trustor to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time and without notice, either in person, by agent, or by receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, collect and enforce his assignment of the rents, issues, and profits by any lawful means.

EIGHTH: 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 by this Deed of Trust. The Beneficiary may, without notice to or consent of the Trustor, extend the time of payment of any indebtedness secured hereby to any successor in interest of the Trustor, without discharging the Trustor from any 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 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 the Trustor and accepted by the Beneficiary with the understanding and upon the express condition that if the Trustor should make default in the performance to the Beneficiary of any of the covenants or 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: In the event of sale, transfer, conveyance or alienation of said property, or any part thereof, or any interest therein, whether voluntary or involuntary, Beneficiary shall have the right of acceleration, at its option, to declare the note secured by this Deed of Trust, irrespective of the maturity date expressed therein, and without demand or notice, immediately due and payable, including any prepayment charge provided for therein. No waiver of this right shall be effective unless in writing. Consent by Beneficiary to one such transaction shall not constitute a waiver of the right to require such consent to succeeding transactions.

THIRTEENTH Assignment of Leases and Rents. Trustor does hereby sell, assign and transfer unto Beneficiary all of the leases, rents, income and profits now due and which may hereafter become due under or by virtue of any lease, whether written or oral, or any agreement for the use of occupancy of the Property, it being

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the intention of Trustor and Beneficiary to establish an absolute transfer and assignment of all such leases and agreements, all of the rents and profits from the Property unto the Beneficiary, and the Trustor does hereby appoint irrevocably the Beneficiary its true and lawful attorney in its name and stead, which appointment is coupled with and interest, to collect all of said rents and profits; provided, Beneficiary grants the trustor the privilege to collect and retain such rents, income, and profits unless and until an Event of Default (as hereinafter defined) exists under this Deed of Trust. Upon the occurrence of an Event of Default, and whether before or after the institution of legal proceedings to foreclose the lien hereof or before or after sale of the Property, or during any period of redemption, and without regard to waste, adequacy of the security or solvency of the Trustor, the Beneficiary may revoke the privilege granted Trustor hereunder to collect the rents, issues and profits of the Property, and may, at its option, without notice:

FOURTEENTH: The trust hereby created is irrevocable by the Trustor.

FIFTEENTH: The undersigned Trustor requests that a copy of any Notice of Default and of any Notice of Sale hereunder be mailed to them.

IT IS AGREED by all of the parties hereto that, throughout this document, as the context requires, the use of the singular term shall include the plural and the use of the plural term shall include the singular, the use of the masculine gender shall include the feminine, and the use of the feminine gender shall include the masculine.

IN WITNESS WHEREOF, Trustor hereby accepts and agrees to the terms and covenants contained in this Deed of Trust.

Mary Lou Watson
Mary Lou Watson

Christie J. West
Witness

STATE OF NEVADA
COUNTY OF Carson City SS.

On September, 18, 1998 before me, Christie J. West

a notary public, personally appeared Mary Lou Watson personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledge to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted. executed the instrument.

WITNESS my hand and official seal.

Christie J. West
Notary's Signature



(This area for official notarial seal)

Notice: A Copy of any Notice of Default and of any Notice of Sale will be sent only to the address contained in this recorded request. If your address changes, a new request must be recorded.

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

'98 SEP 21 AM 11:58

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LINDA SLATER
RECORDER
\$9.00 PAID LD DEPUTY