

DEED OF TRUST

THIS DEED OF TRUST is made this 15th day of Jan., 1999, by and between JIM McCOWAN /^{JR.} and KAY McCOWAN husband and wife, of Post Office Box 1914, Carson City, Nevada 89702, ^{LSM} Trustees; FIRST CENTENNIAL TITLE COMPANY OF NEVADA, Trustee; and MARY JANE ADAMS, a widow, and STEPHEN GLEN ADAMS, a married man as his sole and separate property, of 1651 Dayton Way, Reno, Nevada _____, Beneficiaries;

WITNESSETH:

That Trustors do hereby grant, bargain, sell, convey and confirm unto Trustee, in trust with the power of sale, all that certain property situate in the County of Douglas, State of Nevada, being more particularly described as follows:

Township 14 North, Range 20 East, M.D.B.&M., Section 6, Northeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of the Northeast $\frac{1}{4}$.

EXCEPTING AND RESERVING THEREFROM a right of way for Highway 395 as described in Patent No. 1229907 from the United States of America, recorded December 8, 1962, in Book 15, Page 1, as Document No. 21458, Official Records of Douglas County, Nevada.

Assessor's Parcel No.: 13-032-11

And, also, all the estate, interest, homestead or other claim, as well in law as in equity, which said Trustors now have or may hereafter acquire in and to the said property, together with all easements and rights of way held or 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, 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 payments of a principal indebtedness in the sum of FIFTY THOUSAND AND NO/100THS DOLLARS (\$50,000.00) evidenced by a promissory note of even date herewith, with interest thereon according to the terms of said note, which note by reference is hereby made a part hereof, executed by Trustors and delivered to Beneficiaries, and any and all extensions or renewals thereof, payment of such additional principal sums with interest thereon as may hereafter be loaned by Beneficiaries to Trustors, payment of all other sums with interest thereon becoming due and payable under the provisions hereof to either Trustee or Beneficiaries, and the performance and discharge

of each and every obligation, covenant and agreement of Trustors herein contained.

AND THIS INDENTURE FURTHER WITNESSETH:

1. Trustors promise and agree to pay when due all claims for labor and materials furnished for any 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, and to permit Beneficiaries to enter at all reasonable times for the purpose of inspection.

2. Trustors covenant to keep all buildings that may now or at any time be on said property during the continuance of this trust in good repair and insured against loss by fire, with extended coverage endorsements, in a company or companies authorized to issue such insurance in the State of Nevada, and as may be approved by Beneficiaries hereby secured, and to deliver the policy to Beneficiaries or to the collection agent of Beneficiaries, and if in default thereof, Beneficiaries may procure such insurance and/or make such repairs, and expend for either of such purposes such sum or sums as Beneficiaries shall deem proper.

3. The following covenants, Nos. 1, 3, 4 (interest 15%), 5, 6, 7, 8 and 9 of Nevada Revised Statutes 107.030 and all the provisions of Nevada Revised Statutes 107.080, including the right to accelerate the sums due hereunder upon a breach of the note payment terms, are hereby adopted and made a part of this deed of trust.

4. Trustors agree to pay any deficiency arising from any cause after application of the proceeds of any sale held in accordance with the provisions of the covenants hereinabove adopted by reference.

5. The rights and remedies hereby granted shall not exclude any other rights and remedies granted by law, and all rights and remedies granted hereunder or permitted by law shall be concurrent and cumulative. A violation of any of the covenants herein expressly set forth shall have the same effect as the violation of any covenant herein adopted by reference.

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6. All the provisions, benefits and obligations of this instrument shall apply to, inure to and bind the heirs, representatives, executors, successors and assigns of the parties hereto and the holder hereof. Whenever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall include the other genders.

7. Trustors assign hereby to Trustee any and all rents of the above-described premises accruing after default, and hereby authorize Trustee, or a receiver to be appointed on application of Trustee, or Beneficiaries, without waiving or affecting the right of foreclosure or any other right hereunder, to take possession of the premises at any time after there is a default in the payment of said debt or in the performance of any of the obligations herein contained, and to rent the premises for the account of Trustors. At any trustee's sale hereunder held, the Trustee shall sell the property herein described as a single unit unless herein otherwise specifically directed, and at such sale is hereby authorized to bid for Beneficiaries or other absent persons.

8. It is hereby agreed that the trust created hereby is irrevocable by Trustors.


9. This deed of trust is executed by Trustors and accepted by Beneficiaries with the express understanding that the relationship of landlord and tenant shall exist as between the purchaser of the property covered hereby upon foreclosure proceedings and Beneficiaries and their successors in interest, and Trustors may be removed therefrom by any proceeding authorized by law, including an unlawful detainer action or summary eviction action in the event the possession of said property should not voluntarily be surrendered to such purchaser.

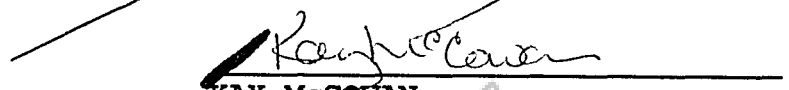
10. Should Trustors, without the consent in writing of Beneficiaries, voluntarily sell, transfer, or convey their interest in the property, or any part thereof, or if by operation of law, it be sold, transferred, or conveyed, then Beneficiaries may, at their option, declare all sums secured hereby immediately due and payable. Consent to one such transaction shall not be deemed to be a waiver of the right to require such consent to future or successive transactions.

11. Beneficiaries hereunder agree to subordinate their security under this document to another note and deed of trust, the amount of which shall not exceed ONE HUNDRED TWENTY FIVE THOUSAND DOLLARS (\$ 125,000.00), an interest rate of 12 percent (12 %), and a duration of ONE (1) years. Said note and deed of trust shall be for a construction loan upon the real

property secured hereby and voucher control for said construction loan shall be handled by the Beneficiaries hereunder.

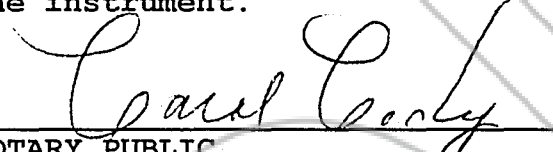
IN WITNESS WHEREOF, the Trustors herein have hereunto executed these presents the day and year first above written.

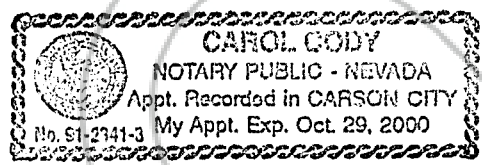

JIM McCOWAN, JR.


KAY McCOWAN

STATE OF Nevada)
COUNTY OF Carson) : ss.

On this 15th day of Jan, 1999, personally appeared before me, CAROL GODY, a Notary Public, JIM McCOWAN/and KAY McCOWAN, personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons whose names are subscribed to the above instrument, who acknowledged to me that they executed the above instrument in their authorized capacities and that by their signatures on the instrument, they, and/or the entity upon the behalf of which they acted, executed the instrument.


NOTARY PUBLIC



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REQUESTED BY
FIRST CENTENNIAL TITLE CO.
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

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RECORDER
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