

APN: 17-100-42
WHEN RECORDED, PLEASE MAIL TO:
D. G. MENCHETTI, LTD.
Post Office Box 7100
Incline Village, Nevada 89452

DEED OF TRUST

THIS DEED OF TRUST is made this 31st day of October, 2000, by and between HORSEFEATHERS UNLIMITED, a Nevada corporation, c/o Post Office Box 7100, Incline Village, Nevada 89452, Trustor; FIRST AMERICAN TITLE COMPANY OF NEVADA, Trustee; and CHRISTINE ECKHOUT, an unmarried woman, of Post Office Box 708, Genoa, Nevada 89411, Beneficiary;

WITNESSETH:

That Trustor does 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:

Lots 4, 5, 12 and 13 in Block 6 of the TRUSTEE'S MAP OF THE TOWN OF GENOA, Douglas County, Nevada, according to the Official Map entitled MAP OF GENOA, Douglas County, Nevada, L.L. HAWKINS, September 1864, on File and of record in the Office of the County Recorder of Douglas County, State of Nevada, as Document No. 1000.

Reference is made to Record of Survey recorded February 26, 1986, in Book 286, Page 2138, Document No. 131389.

EXCEPTING THEREFROM: Any portion thereof lying within the boundaries of SR-26 (Foothill Road) as described in the Deed to the State of Nevada, recorded December 11, 1986, Page 1320, as Document No. 146505 of Official Records of Douglas County, Nevada.

FURTHER excepting a portion of Lots 5 & 12 as shown on Record of Survey recorded March 23, 1993, in Book 393, Page 4356, as Document No. 302578 and as conveyed by deed executed by David R. Gamble recorded March 23, 1993, in Book 393, Page 4357, as Document No. 302579.

Reference is made to Record of Survey to support a Boundary Line Adjustment for Dave R. Gamble and Gould Family Trust, filed for record March 23, 1993, Page 4356, Document No. 302578 of Official Records of Douglas County, Nevada.

Assessor's Parcel No.: 17-100-42

And, also, all the estate, interest, homestead or other claim, as well in law as in equity, which said Trustor now has 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.

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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 EIGHT THOUSAND AND NO/100THS DOLLARS (\$8,000.00) 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 Trustor and delivered to Beneficiary, and any and all extensions or renewals thereof, payment of such additional principal sums with interest thereon as may hereafter be loaned by Beneficiary to Trustor, payment of all other sums with interest thereon becoming due and payable under the provisions hereof to either Trustee or Beneficiary, and the performance and discharge of each and every obligation, covenant and agreement of Trustor herein contained.

AND THIS INDENTURE FURTHER WITNESSETH:

1. Trustor promises and agrees 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 Beneficiary to enter at all reasonable times for the purpose of inspection.

2. Trustor covenants 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 Beneficiary hereby secured, and to deliver the policy to Beneficiary or to the collection agent of Beneficiary, and if 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 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. Trustor agrees 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.

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. Trustor assigns hereby to Trustee any and all rents of the above-described premises accruing after default, and hereby authorizes Trustee, or a receiver to be appointed on application of Trustee, or Beneficiary, 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 Trustor. 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 Beneficiary or other absent persons.

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

9. This deed of trust is executed by Trustor and accepted by Beneficiary 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 Beneficiary and her successors in interest, and Trustor 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 Trustor, without the consent in writing of Beneficiary, voluntarily sell, transfer, or convey its interest in the property, or any part thereof, or if by operation of law, it be sold, transferred, or conveyed, then Beneficiary may, at her 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.

