

APN: 37-243-020

SHORT FORM DEED OF TRUST AND ASSIGNMENT OF RENTS AND SECURITY AGREEMENT

THIS DEED OF TRUST, made this 12 day of January, 2001,

between, THOMAS LLOYD AND SANDRA LLOYD, husband and wife as Joint Tenants with right of survivorship herein called TRUSTOR

whose address is P.O. Box 240 Wellington, NV 89444

and MARQUIS TITLE & ESCROW, INC., a Nevada Corporation, herein called TRUSTEE, and

CHARLES LEE AND EDITH LEE husband and wife as Joint Tenants with right of survivorship as to an undivided \$10,000.00 interest and DONALD L. DAVIS AND IRMA A. DAVIS, Co-Trustees of THE DAVIS FAMILY TRUST UNDER AGREEMENT DATED JUNE 19, 1996 as to an undivided \$10,000.00 interest and PHILOMENE MINABERRY a single woman as to an undivided \$12,000.00 interest and JEAN B. IRIBARREN AND GRACE IRIBARREN, Trustees of THE IRIBARREN FAMILY LIVING TRUST DATED APRIL 29, 1996 as to an undivided \$8,000.00 interest all as Tenants in Common, herein called BENEFICIARY.

WITNESSETH: That Trustor irrevocable grants, transfers and assigns to Trustee in trust, with power of sale, that property in Douglas, State of Nevada, being Assessment Parcel No. 37-243-020, more specifically described as follows:

Lot 4, as shown on the map of TOPAZ RANCH ESTATES UNIT NO. 2, as filed in the office of the County Recorder of Douglas County, Nevada, on February 20, 1967, as Document No. 35464, Official Records.

IN THE EVENT THE TRUSTOR SELLS, CONVEYS OR ALIENATES THE WITHIN DESCRIBED REAL PROPERTY; OR CONTRACTS TO SELL, CONVEY OR ALIENATE; OR IS DIVESTED OF TITLE IN ANY OTHER MANNER WITHOUT THE APPROVAL OF AN ASSUMPTION OF THIS OBLIGATION BY THE BENEFICIARY BEING FIRST OBTAINED, BENEFICIARY SHALL HAVE THE RIGHT TO DECLARE THE UNPAID BALANCE DUE AND PAYABLE IN FULL, IRRESPECTIVE OF THE MATURITY DATE EXPRESSED ON THE NOTE SECURED HEREBY. BENEFICIARY WILL HOWEVER LET A FAMILY MEMBER OF TRUSTOR ASSUME THE EXISTING NOTE.

* SEE EXHIBIT "A" FOR SECURITY AGREEMENT

Together with the rents, issues and profits thereof, subject, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits.

For the purpose of securing (1) payment of the sum of \$ 40,000.00 with interest thereon 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; and (2) the performance of each agreement of Trustor incorporated herein by reference or contained herein; (3) payment of additional sums and interest thereon which may hereafter be loaned to Trustor, or to his successors or assigns, when evidence by a promissory note or notes reciting that they are secured by this Deed of Trust.

To protect the security of this Deed of Trust, and with respect to the property above described, Trustor expressly makes each and all of the agreements, and adopts and agrees to perform and be bound by each and all of the terms and provisions set forth in subdivision A, and it is mutually agreed that each and all of the terms and provisions set forth in subdivision B of the fictitious Deed of Trust recorded in the office of each County Recorder in the State of Nevada, in the book and at the page thereof, or under the document file number, noted below opposite the name of such county, namely:

Table with 8 columns: COUNTY, BOOK, PAGE, DOC NO., COUNTY, BOOK, PAGE, DOC NO. listing various counties and their corresponding document details.

shall inure to and bind the parties hereto with respect to the property above described. Said agreement, terms and provisions contained in said subdivision A and B, (identical in all counties, and printed on the reverse side hereof) are by the within reference thereto, incorporated herein and made a part of this Deed of Trust for all purposes as fully as if set forth at length herein, and Beneficiary may charge for a statement regarding the obligation secured hereby, provided the charge therefor does not exceed a reasonable amount. The Beneficiary or the collection agent appointed by him may charge a fee of not to exceed \$15.00 for each change in parties, or for each change in a party making or receiving a payment secured hereby.

The undersigned Trustor requests that a copy of any notice of default and any notice of default and any notice of sale hereunder be mailed to him at his address hereinbefore set forth

Signature of Thomas Lloyd, THOMAS LLOYD

Signature of Sandra Lloyd, SANDRA LLOYD

STATE OF NEVADA COUNTY OF Douglas

On 3-9-01 personally appeared before me, a Notary Public

Signature of Thomas Lloyd + Sandra Lloyd who acknowledged that he executed the above instrument.

Notary Public seal for C. NOLAN, NOTARY PUBLIC - NEVADA, Appt. Recorded in DOUGLAS CO., No. 89-56593-5 My Appt. Exp. Aug. 1, 2003

WHEN RECORDED MAIL TO Marquis Title & Escrow I.C. Dept. 1701 County Road, Suite B Minden, NV 89423

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THIS AGREEMENT is made this 12th day of January, 2001, by and between

CHARLES LEE AND EDITY LEE husband and wife as Joint Tenants with right of survivorship as to an undivided \$10,000.00 interest and DONALD L. DAVIS AND IRMA A. DAVIS, Co-Trustees of THE DAVIS FAMILY TRUST UNDER AGREEMENT DATED JUNE 19, 1996 as to an undivided \$10,000.00 interest and PHILOMENE MINABERRY a single woman as to an undivided \$12,000.00 interest and JEAN B. IRIBARREN AND GRACE IRIBARREN, Trutees of THE IRIBARREN FAMILY LIVING TRUST DATED APRIL 29, 1996 as to an undivided \$8,000.00 interest as Tenants in Common hereinafter collectively referred to as "Secured Party," and THOMAS LLOYD AND SANDRA LLOYD, husband and wife as Joint Tenants with right of survivorship, hereinafter collectively referred to as "Debtor."

1. **GRANTING OF SECURITY INTEREST, COLLATERAL:** Debtor, for valuable consideration, receipt of which is hereby acknowledged, grants conveys and transfers to Secured Party a security interest in the property and all accessories, parts and equipment now or hereafter affixed thereto DESCRIBED AS: 1978 Festival (634 x 64) Mobile Home, Serial No. CAFL3ABC740680399. situated on that real property and improvements located in Douglas County, Nevada, to secure payment of: (a) a Promissory Note executed by Debtor to Secured Party, of even date herewith, in the principal sum of \$40,000.00, together with interest and any other charges as therein provided, (hereinafter referred to as "Note"), a copy of which Note is attached hereto and incorporated herein by this reference; (b) extensions or further advances by Secured Party to Debtor; and (c) all other liabilities, primary, secondary, direct, contingent or that may be later contracted or acquired and due or to become due from Debtor to Secured Party. Such property shall be herein collectively referred to as the "Collateral".

2. **WARRANTIES:** Debtor hereby warrants and agrees that:

(a) To the extent, if any, that Debtor advises Secured Party that any of the Collateral is being acquired with the proceeds of the Note, such proceeds may be disbursed by Secured Party directly to the Seller of such Collateral.

(b) Collateral shall be kept on the real property in Douglas County, Nevada, and shall not be moved without the prior written consent of Secured Party.

(c) At the close of escrow under the Purchase Agreement dated September 30, 2000 and Escrow Instructions, dated October 24, 2000, Debtor shall have full title to Collateral and shall at all times keep Collateral free of all liens and claims whatsoever, other than the security interest hereunder.

WAIVED:

(d) Debtor shall from time to time, at the request of Secured Party, execute or join in executing such financing statements and other documents, pay the cost of filing or recording the Statements and documents in all public offices deemed necessary by Secured Party, and do such other acts as Secured Party may request to perfect, establish and maintain a valid security interest in Collateral, including, without limiting any of the foregoing, deposit with Secured Party of any certificate of title issuable with respect to any of Collateral and notation thereon of the security interest hereunder.

(e) Debtor shall not sell, transfer, lease or otherwise dispose of any of Collateral or any interest therein except with the prior written consent of Secured Party.

(f) Debtor shall at all times keep Collateral in good order and repair, excepting any loss, damage or destruction that is fully covered by proceeds of insurance or that result from ordinary use.

(g) Debtor shall at all times keep Collateral insured against loss, damage, theft and other risks, in such amounts, with such companies, and under such policies, and in the same form as part of the insurance required by the deed of trust which also secures the payment of the Promissory Note secured hereby. Such policies shall provide that loss thereunder shall be payable to Secured Party as mortgagee and loss payee as Secured Party's interest appears, and Secured Party may apply any proceeds of such insurance that may be received by Secured Party to payment of any of the liabilities of Debtor to Secured Party regardless of whether due. Such application of proceeds may be made in such order as Secured Party determines proper. Such policies of insurance or certified copies thereof and receipts for payment of premiums shall be deposited with Secured Party.

(h) Secured Party may examine and inspect Collateral or any part hereof, wherever located, at any reasonable time, with or without proper notice of Debtor.

(i) Debtor will defend Collateral against claims and demands of all persons.

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3. USE OF COLLATERAL: Until default hereunder, Debtor may have possession of Collateral and use the same in any lawful manner not inconsistent with the Note and this Agreement or with any policy of insurance on any of Collateral.

4.

REIMBURSEMENT OF EXPENSES: Debtor nominates and appoints Secured Party as attorney in fact to perform any obligations of Debtor hereunder that Debtor fails to perform, and to do all acts and things that Secured Party deems necessary and advisable, for the maintenance or preservation of any of the Collateral or the interest of Secured Party for all expenses incurred by Secured Party in connection with the foregoing, together with interest thereon at the rate per annum from the date incurred.

5. DEFAULT: The occurrence of any of the following events shall constitute a default:

(a) Nonpayment, when due, of any amount payable hereunder or failure of any Debtor to perform any Agreement contained herein; or

(b) Default under the Note secured hereby or under the Deed of Trust securing said Note; or

(c) If default be made in the payment of any installment of principal or interest or obligation, in accordance with the terms of any note or notes secured by this security agreement or in the performance of any of the covenants, promisor agreements contained herein.

(d) Any material, false or misleading statement, representation or warranty of Debtor herein or in any other writing at any time furnished by Debtor to Secured Party; or

(e) If Debtor becomes insolvent or makes a general assignment for the benefit of creditors; or consents to or applies for the appointment of a trustee or receiver for the Collateral, or any part hereof; or if a trustee or receiver is appointed for the collateral, or any part hereof; or if a trustee or receiver is appointed for the Collateral, or any part thereof; or

(f) IN THE EVENT THE COLLATERAL, OR ANY PART THEREOF, OR ANY INTEREST THEREIN, IS SOLD, AGREED TO BE SOLD BY CONTRACT OF SALE OR OTHERWISE CONVEYED OR ALIENATED BY ANY DEBTOR; OR

(g) IF THE DEBTOR SHALL BE DIVESTED OF TITLE IN ANY MANNER OR WAY, WHETHER VOLUNTARILY OR INVOLUNTARILY, OR BY THE OPERATION OF LAW OR OTHERWISE; OR

(h) If a Petition in bankruptcy or for any debtor relief under the Bankruptcy Code is filed by or against the Debtor the obligation secured are automatically accelerated.

6. REMEDIES: On any default hereunder, all remaining installments on the Note shall, at the option of Secured Party, become immediately due and payable, and Secured Party may exercise at any time any rights and remedies available to it under Nevada Revised Statute 104.9101 to Nevada Revised Statute 104.9506 or other applicable law of the State of Nevada; in addition, in case of default, Secured Party is entitled to take possession of Collateral or any part of it and to perform all of the operations that Debtor has agreed to perform, and to take any measures that Secured Party may deem necessary for the care, protection or preservation of the Collateral. After any default, Secured Party may require Debtor to assemble at the expense of Debtor all of the Collateral at a convenient place acceptable to Secured Party and shall pay all costs incurred by Secured Party in collecting on said Note and enforcing the rights, of Secured Party hereunder, including reasonable attorney's fees, legal expenses and costs and expenses of any repair to any real or other property to which any of Collateral be affixed.

To the extent that notice of intended disposition of any Collateral is required by law, such notice, if mailed, shall be deemed reasonable and properly given if mailed at least ten (10) days before such disposition, postage prepaid, addressed to Debtor at the location appearing on the records of Secured Party. The proceeds of disposition of the Collateral shall be applied as provided in the Nevada Uniform Commercial Code (Nevada Revised Statute 104.9504), and any balance of such proceeds may be applied by Secured Party to the Payment of other liabilities of Debtor to Secured Party, and in such order of application, as Secured Party may from time to time elect.

7. NOTICE Debtor hereby waives presentment, demand, notice of dishonor, protest, and all other notices whatsoever. Secured Party may from time to time extend or renew the Note for any period, regardless of whether for a longer period than the original period thereof, and grant any releases, compromises, or indulgences with respect to the Note, and extension or renewal thereof, or any security therefor or to any party liable thereunder or hereunder, all without notice to or consent of Debtor and without affecting the liability of Debtor under the Note and this agreement.

8. WAIVER No delay by Secured Party in the exercise of any right or remedy under the Note and this Agreement shall operate as a waiver thereof, and no single or partial exercise by Secured Party of any such right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy.

9. CONSTRUCTION AND EFFECT Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law; however, if any such provision

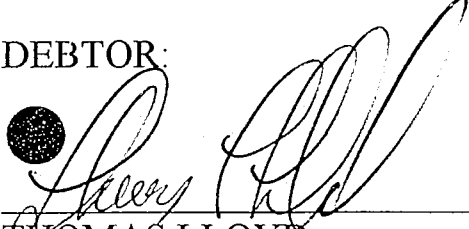
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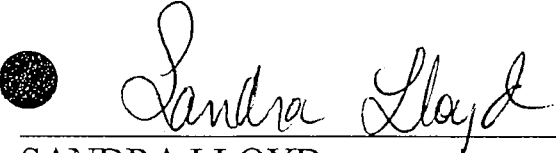
10. SUCCESSORS AND ASSIGNS: The rights and privileges of Secured Party hereunder shall inure to the benefit of Secured Party's heirs, successors and assigns.

IN WITNESS WHEREOF, this agreement has been executed the day and year first above written.

DEBTOR:



THOMAS LLOYD




SANDRA LLOYD

COPIES

REQUESTED BY
MARQUIS TITLE & ESCROW, INC.
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

2001 MAR -9 PM 4: 41

LINDA SLATER
RECORDER

\$27⁰⁰ PAID  DEPUTY

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