

APN 05-344-010

MAIL TO:

NOVASEL & SCHWARTE INV, INC.

DBA WESTERN HIGHLAND MORTGAGE CO

P.O. BOX 11355

SOUTH LAKE TAHOE, CA 96155

DEED OF TRUST

THIS DEED OF TRUST entered into this 26 day of JULY, 2001, by and between WILSON A. MARSH and JANICE K. MARSH, husband and wife, as Joint Tenants, hereinafter called the "Trustors", STEWART TITLE OF DOUGLAS COUNTY, a Nevada corporation, hereinafter called the "Trustee", and NOVASEL AND SCHWARTE INVESTMENTS, INC. dba WESTERN HIGHLAND CO., hereinafter called the "Beneficiary",

W I T N E S S E T H:

That Trustors hereby grant, bargain, sell, convey and confirm 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. 05-344-010, more particularly described as follows, to wit:

Lot 1, Block D as shown on the map of ROUND HILL VILLAGE UNIT NO. 4, filed in the Office of the County Recorder of Douglas County, Nevada, on April 25, 1966, as Document No. 31837.

AND, ALSO, all of the estate, interest, homestead or other claim, as well in law as in equity, which Trustors now have 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 EIGHTY-TWO THOUSAND FIVE HUNDRED and no/100's DOLLARS (\$82,500.00) as follows:

\$82,500.00 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 Trustors 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 Trustors when evidenced by a Promissory Note or notes of Trustors; 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 Trustors herein contained.

AND THIS INDENTURE FURTHER WITNESSETH:

FIRST: The Trustors promise and agree 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 (12%); 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 Trustors 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 Trustors will give immediate notice by mail to the Beneficiary, who may make proof of loss if not made promptly by Trustors. Each insurance company concerned is hereby authorized and directed to make payment for such loss directly to the Trustors and the Beneficiary jointly. The insurance proceeds, or any part thereof, may be applied by the Trustors at their 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 Trustors in and to any insurance policies then in force shall pass to the purchaser or grantee.

FOURTH: Trustors agree that they 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 Trustors 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: Trustors 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 Trustors 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: Trustors hereby assign to the Trustee all rents, income, maintenance fees and other benefits to which Trustors 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 Trustors 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 Trustors 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 Trustors, extend the time of payment of any indebtedness secured hereby to any successor in interest of the Trustors without discharging the Trustors 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 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 Trustors and accepted by Beneficiary with the understanding and upon the express condition that if Trustors 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 Trustors.

THIRTEENTH: The undersigned Trustors request that a copy of any notice of default and of any notice of sale hereunder be mailed to them at the following address: 4024 MONTE VERDE DR.  
EL DORADO HILLS, CA 95762

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

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

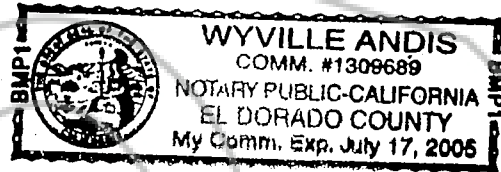
  
\_\_\_\_\_  
WILSON A. MARSH

  
\_\_\_\_\_  
JANICE K. MARSH

STATE OF ~~NEVADA~~ <sup>CA</sup> California  
COUNTY OF ~~DOUGLAS~~ <sup>MS</sup> ) El Dorado : ss.

This instrument was acknowledged before me this July 30, 2002, by WILSON A. MARSH and JANICE K. MARSH, husband and wife.

Wyville Andis  
Notary Public



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**ADDENDUM TO DEED OF TRUST**

As and for additional consideration for the loan secured by this Deed of Trust, Trustor hereby covenants and agrees that in the event Trustor causes a petition for relief to be filed under the United States Bankruptcy Code, including, but not limited to; a petition for relief pursuant to Chapters 7, 11 or 13, Trustor shall, upon written request from Beneficiary, stipulate to immediate relief from stay arising from the filing of Trustor's petition under the United States Bankruptcy Code. Trustor further acknowledges that this provision constitutes a material inducement to Beneficiary to lend Trustor the funds secured by the within Deed of Trust. Trustor further acknowledges Beneficiary would not loan said funds to Trustor without Trustor agreeing to immediate relief from stay as aforesaid. In the event Trustor fails to stipulate to immediate relief from stay upon written request from Beneficiary, Trustor hereby stipulates and agrees that the court wherein Trustor's petition is pending shall, upon application by Beneficiary, order relief from stay with respect to all of Beneficiary's rights under the within note and Deed of Trust. Trustor represents that Trustor understands the provisions of this Addendum to Deed of Trust and agrees to the provisions of this Addendum to Deed of Trust freely and voluntarily.

**DUE ON SALE CLAUSE**

If the Trustor shall convey or alienate said property or any part thereof or any interest therein or shall be divested of his title in any manner or way, whether voluntary or involuntary any indebtedness or obligation secured hereby, irrespective of the maturity date expressed in any note evidencing the same, at the option of the holder hereof and without demand or notice shall become due and payable immediately.

"SUBSEQUENT TRUST DEEDS ARE SUBJECT TO THIS TRUST DEED AND ANY RENEWAL OR EXTENSION THEREOF WHETHER ORAL OR WRITTEN."

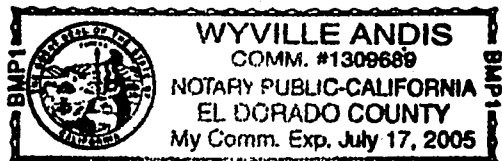
Wilson A. Marsh \_\_\_\_\_

Janice K. Marsh \_\_\_\_\_

State of California  
County of El Dorado

On July 30, 2001 before me, Wyville Andis Notary personally appeared Janice K. and Wilson A. Marsh 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 acknowledged 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.  
Wyville Andis  
Signature of Notary Public



0519767

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COPY

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

2001 AUG -1 PM 4: 35

LINDA SLATER  
RECORDER

\$1300 PAID BC DEPUTY

0519767

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