

LONG FORM DEED OF TRUST AND ASSIGNMENT OF RENTS

This Deed of Trust, dated December 9, 2002, between **William R. Kugler and Colleen Susan Coffey, Husband and Wife as Joint Tenants**, herein called **TRUSTOR**, whose address is 1195 Rabe Way Carson City, NV 89701, **NORTHERN NEVADA TITLE COMPANY**, a Nevada corporation, herein called **TRUSTEE**, and **Henry C. Thomas and Susan Thomas, Co-Trustees of the Thomas Family Intervivos Trust Dated 6/21/89**, whose address is P.O. Box 3158, Carson City, NV, 89702 herein called **BENEFICIARY**.

Witnesseth: That Trustor **IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS TO TRUSTEE IN TRUST, WITH POWER OF SALE**, that property in Douglas County, Nevada, described as:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

In the event the herein described property or any part thereof, or any interest therein is sold, agreed to be sold, conveyed or alienated by the Trustor, or by the operation of law or otherwise, all obligations secured by this instrument, irrespective of the maturity dates expressed therein, at the option of the holder hereof and without demand or notice shall immediately become due and payable.

TOGETHER WITH the rents, issues, and profits thereof, reserving the right to collect and use the same except during continuance of some default hereunder and during continuance of such default authorizing Beneficiary to collect and enforce the same by any lawful means in the name of any party hereto.

For the Purpose of Securing: 1. Performance of each agreement of Trustor incorporated by reference or contained herein. 2. Payment of the indebtedness evidenced by one promissory note of even date herewith, and any extension or renewal thereof, in the principal sum of **EIGHTY-FIVE THOUSAND AND 00/100 DOLLARS (\$85,000.00)**, executed by Trustor in favor of Beneficiary or order. 3. Payment of such additional sums as may hereafter be advanced for the account of Trustor or Assigns by Beneficiary with interest thereon.

TO PROTECT THE SECURITY OF THIS DEED OF TRUST, Trustor agrees:

1. To properly care for and keep said property in good condition and repair; not to remove or demolish any building thereon; to complete in a good and workmanlike manner any building which may be constructed thereon, and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws, ordinances and regulations requiring any alterations or improvements to be made thereon; not to commit or permit any waste thereof; not to commit, suffer or permit any act to be done in or upon said property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and/or do any other act or acts, all in a timely and proper manner, which, from the character or use of said property, may be reasonably necessary, the specific enumerations herein not excluding the general.
2. The Trustor agrees to pay and discharge all costs, fees, and expenses of these Trusts, including cost of evidence of title and Trustee's fees in connection with sale, whether completed or not, which amounts shall become due upon delivery to Trustee of Declaration of Default and Demand for Sale, as hereinafter provided.
3. To provide, maintain, and deliver to Beneficiary fire insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.
4. The Trustor promises and agrees that if during the existence of the Trust there be commenced or pending any suit of action affecting said conveyed premises, or any part thereof, or the title thereto, or if any adverse claim for or against said premises, or any part thereof, be made or asserted, he will appear in and defend any such matter purporting to affect the security and will pay all costs and damages arising because of such action.
5. Any award of damages in connection with any condemnation for public use of or injury to any property or any part thereof is hereby assigned and shall be paid to Beneficiary, who may apply or release such monies received by him in the same manner and with the same affect as herein provided for disposition of proceeds of insurance.
6. Trustee shall be under no obligation to notify any party hereto of any pending sale hereunder or of action or proceeding of any kind in which Trustor, Beneficiary and/or Trustee shall be named as defendant, unless brought by Trustee.
7. Acceptance by Beneficiary of any sum in payment of any indebtedness secured hereby, after the date when the same is due, shall not constitute a waiver of the right either to require prompt payment, when due, of all other sums so secured or to declare default as herein provided for failure so to pay.
8. Trustee may, at any time, or from time to time, without liability therefor and without notice, upon written request of

Beneficiary and presentation of this Deed of Trust and the notes secured hereby for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby or the effect of this Deed of Trust upon the remainder of said property; reconvey any part of said property; consent in writing to the making of any map or plat thereof; join in granting any easement thereon; or join in any extension agreement or subordination agreement in connection herewith.

9. Upon receipt of written request from Beneficiary reciting that all sums secured hereby have been paid and upon surrender of this Deed of Trust and said note to Trustee for cancellation and retention and upon payment of its fees, the Trustee shall reconvey without warranty the property then held hereunder. The recitals in such reconveyance of any matters of fact shall be conclusive proof of the truth thereof. The Grantee in such reconveyance may be described in general terms as "the person or persons legally entitled thereto". Seven years after issuance of such full reconveyance, Trustee may destroy said note and this Deed of Trust (unless directed in such request to retain them).

10. Should default be made by Trustor in payment of any indebtedness secured hereby and/or in performance of any agreement herein, then Beneficiary may declare all sums secured hereby immediately due by delivery to Trustee of a written declaration of default and demand for sale, directing Trustee to execute a written notice of default and election to cause said property to be sold (which notice Trustee shall cause to be filed for record) and shall surrender to Trustee this Deed, the notes and all documents evidencing any expenditure secured hereby. Trustor agrees that any funds necessary to cure a default as set forth in the notice of default, must be presented to the Trustee in certified funds, or funds acceptable to said Trustee.

11. After such time as required by law shall have elapsed following recordation of any such notice of default, Trustee shall sell said property at such time and at such place in the State of Nevada as the Trustee, in its sole discretion, shall deem best to accomplish the objects of these Trusts, having first given notice of such sale as then required by law. The place of sale may be either in the county in which the property to be sold, or any part thereof, is situated, or at an office of the Trustee located in the State of Nevada.

(a) Trustee may postpone sale of all, or any portion of said property by public announcement at the time fixed by said notice of sale, and may thereafter postpone said sale from time to time by public announcement at the time previously appointed.

(b) At the time of sale so fixed, Trustee may sell the property so advertised or any part thereof, either as a whole or in separate parcels at its sole discretion at public auction, to the highest bidder for cash in lawful money of the United States, payable at the time of sale, and shall deliver to such purchaser a deed conveying the property so sold, but without covenant or warranty, expressed or implied. Trustor hereby agrees to surrender immediately and without demand, possession of said property to such purchaser.

12. Trustee shall apply the proceeds of any such sale to payment of: expenses of sale and all charges and expenses of Trustee and of these Trusts, including cost of evidence of title and trustee's fee in connection with sale; counsel fees; all sums expended under the terms hereof, not then repaid, and all such other sums then secured hereby, with accrued interest thereon at the current rate of interest as set forth in the Note and the remainder, if any, to the person or persons legally entitled thereto.

13. Beneficiary or assigns may, at any time, by instrument in writing, appoint a successor or successors to the Trustee named herein or acting hereunder, which instrument, executed and acknowledged by Beneficiary, and recorded in the Office of the County Recorder of the County or Counties wherein said property is situated, shall be conclusive proof of the proper substitution of such successor or Trustee, who shall have all the estate, powers, duties and trusts in the premises vested in or conferred on the original Trustee. If there be more than one Trustee, either may act alone and execute the Trusts upon the request of the Beneficiary and his acts shall be deemed to be the acts of all Trustees, and the recital in any conveyance executed by such sole Trustee of such requests shall be conclusive evidence thereof, and of the authority of such sole Trustee to act.

14. This Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors, and assigns.

15. Trustee accepts these Trusts when this Deed of Trust, duly executed and acknowledged is made a public record as provided by law, reserving, however, unto the Trustee the right to resign from the duties and obligations imposed herein whenever he deems, at his sole discretion, it to be in the best interest of the Trustee by giving written notice to the Trustor and Beneficiary herein, their successors or assigns.

16. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural, and the term Beneficiary shall include any future holder, including pledges, of the note secured hereby.

17. Where not inconsistent with the above the following covenants, No. 1; 3; 4 (current legal rate of interest); 5; 6; 8; of NRS 107.030 are hereby adopted and made a part of this Deed of Trust.

The undersigned Trustor requests that a copy of any Notice of Default and of any Notice of Sale hereunder be mailed to him at his address hereinbefore set forth.

STATE OF NEVADA)

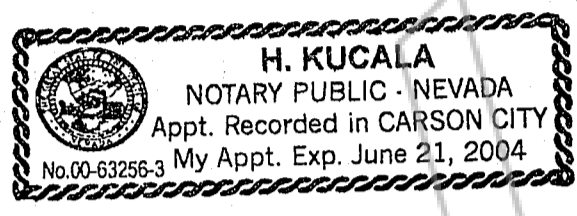
COUNTY OF Carson City SS.

On 12/12/02 before me, the undersigned, a Notary Public in and for said State and County, personally appeared William R. Kugler And Colleen Susan Coffey known to me to be the person whose name is subscribed to the within instrument and acknowledged that they executed the same.

William R. Kugler
William R. Kugler

Colleen Susan Coffey
Colleen Susan Coffey

Signature [Signature]
Notary Public



REQUEST FOR FULL RECONVEYANCE

A reconveyance will be issued only upon presentation to the Trustee of this request properly signed and accompanied by the reconveyance fee, the original Deed of Trust, the original note or notes secured by said Deed of Trust, and any receipt or document evidencing any other indebtedness secured thereby.

TO _____, Trustee, No. _____

The undersigned is the legal owner and holder of the _____ Note for the total sum of \$ _____, and of all other indebtedness secured by Deed of Trust dated _____, made by _____ Trustor, to _____ Trustee, and recorded _____ in book _____, page _____, of Official Records, in the office of the county recorder of _____, County, Nevada, as document no. _____

Said note _____, together with all other indebtedness secured by said Deed of Trust, have been fully paid and satisfied; and you are hereby requested and directed, upon payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel said note _____ above mentioned, and all other evidences of indebtedness secured by said Deed of Trust delivered to you herewith, together with the said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you under the same.

Dated _____

SPACE BELOW THIS LINE FOR RECORDER'S USE

WHEN RECORDED MAIL TO:

Northern Nevada Title Company
512 W. Division Street
Carson City, NV 89703
Attn: Becky Kling

EXHIBIT "A" ATTACHED TO DEED OF TRUST

EXHIBIT "A"

All that certain real property situate in the County of Douglas, State of Nevada, described as follows:

PARCEL 1:

A parcel of land located within a portion of Sections 23 and 24, Township 12 North, Range 19 East, Mount Diablo Meridian, Douglas County, Nevada, more particularly described as follows:

Commencing at the northwest corner of Parcel 1 as shown on the Map of Division into Large Parcels for Nathan and Cindy Leising recorded September 6, 1995 in the office of Recorder, Douglas County, Nevada as Document No. 369848; thence South 07°08'29" East, 1647.30 feet; thence South 23°42'20" West, 648.55 feet; thence South 06°19'23" East, 620.12 feet to the POINT OF BEGINNING; thence North 83°40'37" East, 1267.82 feet; thence South 06°50'37" East, 685.51 feet; thence South 83°40'37" West, 1274.04 feet; thence North 06°19'23" West, 685.48 feet to the POINT OF BEGINNING.

Reference is hereby made to that certain Record of Survey Map to support a boundary line adjustment recorded in the office of the Douglas County Recorder, State of Nevada, on October 25, 2001, in Book 1001, at Page 8574, as Document No. 526220, Official Records.

NOTE: Legal description prepared by R.O. Anderson Engineering, Inc., P.O. Box 2229, Minden, NV 89423

PARCEL 2:

A 50 foot wide right-of-way for road and other purposes over, under, upon and across the southerly portion of the real property as described in "GRANT OF RIGHT-OF-WAY" recorded in the office of the Douglas County Recorder, State of Nevada on May 12, 1970, in Book 75 at Pages 695 and 697, as Document Nos. 48086 and 48087, Official Records.

PARCEL 3:

A perpetual non-exclusive easement and right-of-way for the purposes of pedestrian and vehicular ingress and egress over and across the certain strips of real property as shown on the Division of Land Map for Nathan and Cindy Leising filed in the office of the Douglas County Recorder, State of Nevada, on September 6, 1995, as Document No. 369848, and as amended by those certain Documents entitled "DEED OF EASEMENT" recorded on October 25, 2001, in Book 1001, at Pages 8558 and 8569, as Document Nos. 526217 and 526219, and Document entitled "EXTINGUISHMENT OF EASEMENT" recorded on October 25, 2001 in Book 1001, at Page 8564, as Document No. 526218, Official Records.

REQUESTED BY

Northern Nevada Title Company
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

2002 DEC 13 AM 9:38

LINDA SLATER
RECORDER

\$ 1700 PAID BL DEPUTY

0560587

BK 1202 PG 05563