

APN 1320-32-201-003

WHEN RECORDED MAIL TO:  
MACK LAND AND CATTLE CO  
P.O. BOX 116  
MINDEN, NV 89423  
#020808832

DEED OF TRUST

THIS DEED OF TRUST entered into this 27th day of DECEMBER, 2002, by and between KIM POSNIEN CONSTRUCTION AND DEVELOPMENT, a Nevada corporation, hereinafter called the "Trustor", STEWART TITLE OF DOUGLAS COUNTY, a Nevada corporation, hereinafter called the "Trustee", and MACK LAND AND CATTLE COMPANY, A PARTNERSHIP hereinafter called the "Beneficiary",

W I T N E S S E T H:

That Trustor hereby grants, bargains, sells, conveys and confirms 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. 1320-32-201-003, more particularly described as follows, to wit:

A parcel of land located within a portion of Section 32, Township 13 North, Range 20 East, Mount Diablo Meridian, described as follows:

Commencing at the Northeast corner of Parcel 1 as shown on the Map of Division into Large Parcels for Mack Land & Cattle Company recorded June 17, 1993, in the Office of Recorder, Douglas County, Nevada, as Document No. 310040, a 5/8" rebar with plastic cap PLS 1586, the POINT OF BEGINNING; thence along the Easterly boundary of said Parcel 1, South 45°09'00" West, 100.00 feet; thence continuing along said Easterly boundary of Parcel 1, South 44°51'00" East, 20.00 feet; thence continuing along said Easterly boundary of Parcel 1, South 45°09'00" West, 150.00 feet; thence North 44°51'00" West, 385.57 feet; thence North 63°25'00" West, 479.19 feet; thence North 26°35'00" East, 260.00 feet to a point on the Northerly boundary of said Parcel 1; thence along said Northerly boundary of Parcel 1, South 63°25'00" East, 490.28 feet;



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thence continuing along said Northerly boundary of Parcel 1, South 44°51'00" East, 437.86 feet to the POINT OF BEGINNING.

The Basis of Bearing of this description is identical with that shown on the Map of Division into Large Parcels for Mack Land & Cattle Company recorded as Document No. 310040, being: South 63°25'00" East, the South boundary of Mackland Unit No. 2 as shown on Document No. 209038.

Said property being further set forth as Adjusted Parcel 1 on Record of Survey to Support a Boundary Line Adjustment for Mack Land & Cattle Company and filed for record with the Douglas County Recorder on July 11, 2002, in Book 0702, Page 3300, as Document No. 546859.

"IN COMPLIANCE WITH NEVADA REVISED STATUTES 111.312, THE HEREIN ABOVE LEGAL DESCRIPTION WAS TAKEN FROM INSTRUMENT RECORDED JULY 11, 2002, BOOK 0702, PAGE 3296, AS FILE NO. 0546858, RECORDED IN THE OFFICIAL RECORDS OF DOUGLAS COUNTY, STATE OF NEVADA."

AND, ALSO, all of the estate, interest, homestead or other claim, as well in law as in equity, which Trustor now has 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 ONE MILLION and no/100's DOLLARS (\$1,000,000.00) as follows:

\$1,000,000.00 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



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full, executed by Trustor 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 Trustor when evidenced by a Promissory Note or notes of Trustor; 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 Trustor herein contained.

AND THIS INDENTURE FURTHER WITNESSETH:

FIRST: The Trustor promises and agrees 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 (10%); 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 Trustor 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 Trustor will give immediate notice by mail to the Beneficiary, who may make proof of loss if not made promptly by Trustor. Each insurance company concerned is hereby authorized and directed to make payment for such loss directly to the Beneficiary instead of to the Trustor and the Beneficiary jointly. The insurance proceeds, or any part thereof, may be applied by the Beneficiary at its 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 Trustor in and to any insurance policies then in force shall pass to the purchaser or grantee.



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FOURTH: Trustor agrees that it 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 Trustor 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: Trustor 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 Trustor 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: Trustor hereby assigns to the Trustee all rents, income, maintenance fees and other benefits to which Trustor 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 Trustor 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 Trustor 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 Trustor, extend the time of payment of any indebtedness secured hereby to any successor in interest of the Trustor without discharging the Trustor 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



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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 Trustor and accepted by Beneficiary with the understanding and upon the express condition that if Trustor 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 Trustor.

THIRTEENTH: The undersigned Trustor requests that a copy of any notice of default and of any notice of sale hereunder be mailed to them at the following address: Beneficiary at P.O. Box 116, Minden, Nv 89423; Trustor at: 440 Foothill, Gardnerville, Nv 89410

FOURTEENTH: Upon recordation of a final subdivision map and upon payment by Trustor of the sum of ONE HUNDRED THOUSAND and no/100's DOLLARS (\$100,000.00) per lot, Beneficiary agrees to release one residential lot. The selection of the lot to be released shall be in Beneficiary's sole discretion.

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

KIM POSNIEN CONSTRUCTION AND DEVELOPMENT, a Nevada corporation

By Kimball A. Posnien  
Kimball A. Posnien, President

The undersigned Beneficiary joins in the execution hereof to evidence consent to the terms hereof.

MACK LAND AND CATTLE COMPANY,  
A PARTNERSHIP

By Thomas Mack  
THOMAS MACK  
BY Maureen Mack  
MAUREEN MACK



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**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

State of California

County of Los Angeles } ss.

On 12/16/02, before me, Leonor Garcia  
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Thomas Mack  
Name(s) of Signer(s)

- personally known to me
- 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.



Place Notary Seal Above

[Signature]  
Signature of Notary Public

**OPTIONAL**

*Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.*

**Description of Attached Document**

Title or Type of Document: \_\_\_\_\_

Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

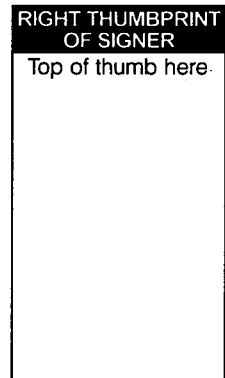
Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer**

Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer — Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney in Fact
- Trustee
- Guardian of Conservator
- Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_



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STATE OF NEVADA )  
 : ss.  
COUNTY OF DOUGLAS )

This instrument was acknowledged before me this 26th day of December, 2002, by KIMBALL A. POSNIEN, President of KIM POSNIEN CONSTRUCTION AND DEVELOPMENT, a Nevada corporation.



*Charlene L. Hanover*  
\_\_\_\_\_  
Notary Public

STATE OF NEVADA )  
 : ss.  
COUNTY OF DOUGLAS )

This instrument was acknowledged before me this 27th day of December, 2002, by Maureen Mack, the \_\_\_\_\_ of MACK LAND AND CATTLE COMPANY,  
A. PARTNERSHIP



*Charlene L. Hanover*  
\_\_\_\_\_  
Notary Public

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ATTORNEYS AT LAW  
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REQUESTED BY  
Stewart Title of Douglas County  
IN OFFICIAL RECORDS OF  
DOUGLAS CO., NEVADA

2002 DEC 30 AM 10:57

LINDA SLATER  
RECORDER  
*2900* PAID *BC* DEPUTY