

Assessor's Parcel No 1219-03-002-034

After Recording Mail To:

J. Douglas Clark
417 W. Plumb Lane
Reno, Nevada 89509

Mail Future Tax Statements To:

Jon M. and Kathleen A. Sherbon
P.O. Box 2616
Atascadero, CA 93423

2021001JB

===== **DEED OF TRUST AND ASSIGNMENT OF RENTS** =====

THIS DEED OF TRUST, is made and executed this 21 day of March, 2003,
between JON M. SHERBON and KATHLEEN A. SHERBON, husband and wife as joint
tenants, with right of survivorship, herein called "Trustor", First American Title Company
of Nevada, Trustee, herein called "Trustee" and J. Douglas Clark, Successor Trustee of the
Dorothy Towne Trust dated September 24, 1984, herein called "Beneficiary."

WITNESSETH:

The Trustor irrevocably grants, transfers and assigns to Trustee in trust, with power
of sale, all that certain real property situated in the County of Douglas, State of Nevada,
more particularly described as:

Parcel No. 1-A, as shown on the Parcel Map for H. Dwight and
Norma Briggs, filed June 12, 1992, as File No. 280844, amended
by Certificate of Amendment recorded October 27, 1992, in

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Book 1092, Page 4785, as Document No. 291754, Official
Records of Douglas County.

together with all singular tenements, hereditaments, and appurtenances thereunto belonging or appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, together with all water and water rights, ditch and ditch rights, reservoir and reservoir rights appurtenant thereto, subject, however, to the right of beneficiary, during any period of default hereunder, and without waiver of such default, to collect said rents, issues and profits by any lawful means, and to apply the same, less costs and expenses of collection, to any indebtedness secured hereby.

FOR THE PURPOSE OF SECURING:

- i. Payment of the principal sum of **Sixty-Nine Thousand Five Hundred Dollars (\$69,500.00)** according to the terms of a Promissory Note dated March 24, 2003.
- ii. The performance of each agreement of Trustor, including those incorporated therein.

AND THIS INDENTURE FURTHER WITNESSETH:

1. Trustor agrees to properly care for and keep said property in good condition and repair; to complete in a good and workmanlike manner any construction or renovation to any building constructed or to 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 relating to any alterations or improvements made thereon; not to commit,

suffer or permit any act to be done in or upon said property in violation of any law, covenant, condition or restriction affecting said property; 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. Trustor agrees to pay and discharge all costs, fees and expenses of this trust incurred in connection with any default by Trustor.

3. During the continuance of this trust, Trustor covenants to keep all buildings that may at any time be on said property in good repair and insured against loss by fire, with extended coverage endorsement, in a company or companies authorized to issue such insurance in the State of Nevada. Said insurance shall be in such sum or sums as shall equal the total indebtedness secured by this Deed of Trust and all obligations having priority over this Deed of Trust, or the maximum full insurable value of such buildings, whichever is less.

4. Trustor promises and agrees that if, during the existence of this trust, there be commenced or pending any suit or action affecting said property, or any part thereof, or the title thereto, or if any adverse claim for or against said property, or any part thereof, be made or asserted, it 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. Trustee shall be under no obligation to notify any party hereto of any pending sale of said property, whether such sale is by foreclosure or otherwise, or of any

action or proceeding in which Trustor or Beneficiary or Trustee shall be a party, unless brought by Trustee.

6. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right either to require prompt payment, when due, of all other sums so secured or to declare default, as herein provided, for failure to so pay.

7. 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 the note secured hereby to Trustee for cancellation and retention, or such other disposition as Trustee, in its sole discretion, may choose, 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."

8. Should Trustor default in the payment of any indebtedness secured hereby, or in the performance of any of the covenants and agreements herein contained or incorporated herein by reference, Beneficiary may declare all sums secured hereby immediately due and payable.

9. The following covenants Nos. 1, 3, 4 (**interest twelve percent (12%)**), 5, 6, 7 (counsel fees-a reasonable fee), 8 and 9 of Nevada Revised Statutes 107.030, are hereby adopted and made a part of this Deed of Trust.

10. Trustor agrees to pay any deficiency arising from any cause after application

of the proceeds of the sale held in accordance with the provisions of the covenants hereinabove adopted by reference.

11. 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. It is expressly agreed that the Trust created hereby is irrevocable by Trustor.

12. Trustee accepts this trust 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 Trustee, in its sole discretion, deems such resignation to be in the best interest of the Trustee. Written notice of such resignation shall be given to Trustor and Beneficiary.

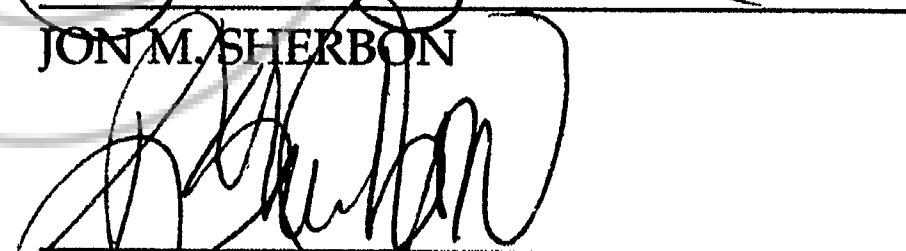
13. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural. The term "Beneficiary" includes any future holder of the note secured hereby. The term "Trustor" includes the term "Grantor".

16. This Agreement is to be governed by and construed in accordance with the laws of the State of Nevada as they may exist from time to time.

Trustors:



JON M. SHERBON

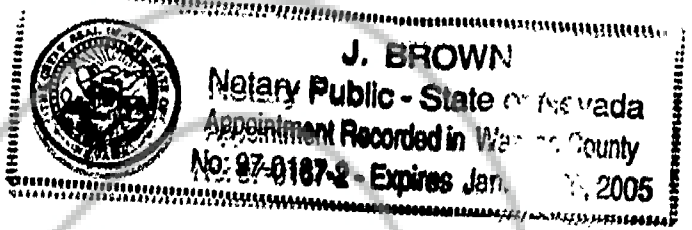
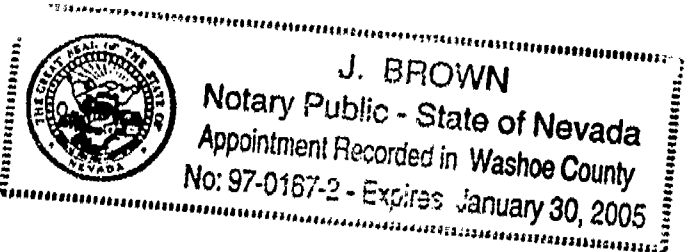


KATHLEEN A. SHERBON

STATE OF NEVADA)
)ss.
COUNTY OF WASHOE)

On this 24th day of March, 2003, before me a Notary Public, personally appeared Jon M. Sherbon and Kathleen A. Sherbon, as Trustors, who acknowledged to me that they executed the foregoing instrument.

J. Brown
Notary Public



COOPER

REQUESTED BY
FIRST AMERICAN TITLE CO.
IN OFFICIAL RECORDS OF
DOUGLAS CO. NEVADA

2003 MAR 25 PM 12: 30

WERNER CHRISTEN
RECORDER

\$ 19.00 PAID KJ DEPUTY

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