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APN 1420-31-000-005

DEED OF TRUST

This Deed of Trust, dated May 1, 2003, between, BRIAN SMITH and LESLIE SMITH, husband and wife, 2701 Highway 395 North, Minden, Nevada 89423, herein called Trustor, and NORTHERN NEVADA TITLE COMPANY, herein called Trustee, and MARVIN SMITH and LYNN SMITH, husband and wife as joint tenants with right of survivorship, herein called Beneficiary.

W I T N E S S E T H:

That Trustor IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS TO TRUSTEE IN TRUST, WITH POWER OF SALE, property in the County of Douglas, State of Nevada, described as follows:

PARCEL NO. 1.

The Southeast Quarter of the Northeast Quarter of Section 31, Township 14 North Range 20 East, MDB&M, Douglas County, Nevada.

Excepting therefrom that portion as conveyed to Ronold E. Hite and LaVerle M. Hite by deed recorded February 25, 1976 in Book 276, of Official Records at Page 889, Douglas County, Nevada as Document No. 87442, being further described as follows:

A parcel of land located in the Southeast 1/4 of the Northeast 1/4 of Section 31, Township 14 North, Range 20 East, MDB&M, in Douglas County, Nevada, further described as follows:

Beginning at the Southwest corner of the Southeast 1/4 of the Northeast 1/4 of said Section 31, from which the Southeast corner of Section 31 bears South 26°25'34" East, 2963.11 feet; thence along the south line of the said Southeast 1/4 of the Northeast 1/4 of Section 31, South 89°56'45" East, 389.46 feet; thence North 0°26'10" East, 1322.00 feet; thence South 89°58'57" West, 394.91 feet to the Northwest corner of the said Southeast 1/4 of the Northeast 1/4 of Section 31; thence South 0°12'00" West, 1321.48 feet to the point of beginning.

RESERVING, HOWEVER, unto the Grantors, together with the right to convey same to others, a non-exclusive easement for

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road and utility purposes along the South 40 feet of the above described parcel.

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PARCEL NO. 2.

A non-exclusive easement for road and utility purposes along a parcel of land located in the Southeast 1/4 of the Northeast 1/4 of Section 31, Township 14 North, Range 20 East, MDB&M, in Douglas County, Nevada, further described as follows:

Beginning at the Southwest corner of the Southeast 1/4 of the Northeast 1/4 of said Section 31, from which the Southeast corner of Section 31 bears South 26°25'34" East, 2963.11 feet; thence North 0°12'00" East, 40.00 feet; thence North 89°56'45" West, 1255.81 feet to the East right of way line of U.S. Highway 395; thence South 0°07'15" East, 40.00 feet; thence South 89°56'45" East, 1255.59 feet to the point of beginning.

Recorded as Document No. 222641, Bk 390, Pg 3341, March 27, 1990.

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 a promissory

note of even date herewith in the total amount of \$300,000, and any extension or renewal thereof 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 this Trust, including costs 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 or 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, they 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 it 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 of 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 therewith.

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". Five 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).

(a) 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, and of 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.

10. After three months 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. 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 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 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.

11. 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, with accrued interest at the current legal rate of interest per annum; all other sums then secured hereby, and the remainder, if any, to the person or persons legally entitled thereto.

12. 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.

13. 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.

14. 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 it deems, at its sole discretion, to be in the best interest of the Trustee by giving written notice to the Trustor and Beneficiary herein, their successors or assigns.

15. 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.

16. 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 them at their address hereinbefore set forth.

The undersigned Trustor requests that a copy of any Notice of

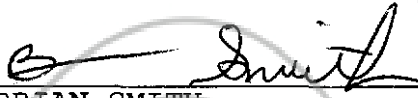
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Default and of any Notice of Sale hereunder be mailed to him at his address set forth below:

Brian and Leslie Smith
2701 Highway 395 North
Minden, Nevada 89423


Marvin and Lynn Smith
Post Office Box 1696
Carson City, Nevada 89702

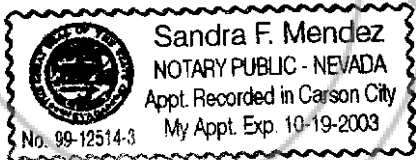

BRIAN SMITH


LESLIE SMITH

STATE OF NEVADA)
) : ss.
COUNTY OF)

On this 1st day of May, 2003, before me, the undersigned Notary Public, personally appeared BRIAN SMITH and LESLIE SMITH, known to or proven to me to be the persons who subscribed the within instrument and acknowledged that they executed the same.


NOTARY PUBLIC
(SEAL)




REQUESTED BY

IN OFFICIAL RECORDS OF
DOUGLAS CO. NEVADA

2003 JUN -3 AM 10:37

WERNER CHRISTEN
RECORDER

\$22.50 PAID  DEPUTY

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DEED OF TRUST

This Deed of Trust, dated May 1, 2003, between, BRIAN SMITH and LESLIE SMITH, husband and wife, 2701 Highway 395 North, Minden, Nevada 89423, herein called Trustor, and NORTHERN NEVADA TITLE COMPANY, herein called Trustee, and MARVIN SMITH and LYNN SMITH, husband and wife as joint tenants with right of survivorship, herein called Beneficiary.

W I T N E S S E T H:

That Trustor IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS TO TRUSTEE IN TRUST, WITH POWER OF SALE, property in the County of Douglas, State of Nevada, described as follows:

PARCEL NO. 1.

The Southeast Quarter of the Northeast Quarter of Section 31, Township 14 North Range 20 East, MDB&M, Douglas County, Nevada.

Excepting therefrom that portion as conveyed to Ronold E. Hite and LaVerle M. Hite by deed recorded February 25, 1976 in Book 276, of Official Records at Page 889, Douglas County, Nevada as Document No. 87442, being further described as follows:

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Beginning at the Southwest corner of the Southeast 1/4 of the Northeast 1/4 of said Section 31, from which the Southeast corner of Section 31 bears South 26°25'34" East, 2963.11 feet; thence along the south line of the said Southeast 1/4 of the Northeast 1/4 of Section 31, South 89°56'45" East, 389.46 feet; thence North 0°26'10" East, 1322.00 feet; thence South 89°58'57" West, 394.91 feet to the Northwest corner of the said Southeast 1/4 of the Northeast 1/4 of Section 31; thence South 0°12'00" West, 1321.48 feet to the point of beginning.

RESERVING, HOWEVER, unto the Grantors, together with the right to convey same to others, a non-exclusive easement for

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road and utility purposes along the South 40 feet of the above described parcel.

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PARCEL NO. 2.

A non-exclusive easement for road and utility purposes along a parcel of land located in the Southeast 1/4 of the Northeast 1/4 of Section 31, Township 14 North, Range 20 East, MDB&M, in Douglas County, Nevada, further described as follows:

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Recorded as Document No. 222641, Bk 390, Pg 3341, March 27, 1990.

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 a promissory

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note of even date herewith in the total amount of \$300,000, and any extension or renewal thereof 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 this Trust, including costs 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.

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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 or 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, they 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 it 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

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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 of 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 therewith.

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". Five years after issuance of such full reconveyance, Trustee may destroy said note

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and this Deed of Trust (unless directed in such request to retain them).

(a) 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, and of 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.

10. After three months 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. 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

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property 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 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.

11. 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, with accrued interest at the current legal rate of interest per annum; all other sums then secured hereby, and the remainder, if any, to the person or persons legally entitled thereto.

12. 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

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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.

13. 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.

14. 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 it deems, at its sole discretion, to be in the best interest of the Trustee by giving written notice to the Trustor and Beneficiary herein, their successors or assigns.

15. 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.

16. 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 them at their address hereinbefore set forth.

The undersigned Trustor requests that a copy of any Notice of

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