

When recorded mail to:

Stonefield, Inc.
164 Hubbard Way, Ste B
Reno, NV 89502

APN: 1320-33-401-038, 1320-33-401-039,
1320-33-401-040, 1320-33-401-041

88664KLS

DEED OF TRUST WITH ASSIGNMENT OF RENTS

THIS DEED OF TRUST, made JUNE 24, 2003, between OLD TOWN VENTURES, LLC, a Nevada limited liability company, herein called "Trustor", whose address is: P.O. BOX 1848, GARDNERVILLE, NV 89410, WESTERN TITLE COMPANY INC., a Nevada Corporation, herein called "Trustee", and STONEFIELD, INC., a Nevada Corporation, herein called "Beneficiary", whose address is: 164 Hubbard Way, Suite B, Reno, Nevada 89502.

W I T N E S S E T H:

That Trustor irrevocably grants to Trustee in trust, with power of sale, all interest of Trustor in that certain property situate in the County of Douglas, State of Nevada, more particularly described as follows:

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SEE EXHIBIT "A" ATTACHED HERETO AND INCORPORATED HEREIN.

TOGETHER WITH, the tenements, hereditaments and appurtenances thereunto belonging or appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, 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: (1) Payment of the principal sum of \$400,000.00, according to the terms of a promissory note or notes of even date herewith made by Trustor, payable to order of Beneficiary, and all extensions or renewals thereof; (2) the performance of each agreement of Trustor incorporated herein by reference or contained herein; and (3) payment of such additional sums which may hereafter be loaned to Trustor by Beneficiary when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust.

AND THIS INDENTURE FURTHER WITNESSETH:

1. Trustor agrees to properly care for and keep said property in good condition and repair; not to alter, remove, damage or demolish any building or improvement thereon; to complete in a good and workmanlike manner any building or improvement which may be constructed thereon, and to pay when due all claims for labor performed and materials furnished therefore; to comply with all laws, ordinances and regulations relating to any alterations or improvements 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 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 now or 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. Said insurance shall be payable to Beneficiary to the amount of the unsatisfied obligation to Beneficiary hereby secured. The policy or policies of said insurance shall

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be delivered to Beneficiary or to the collection agent of Beneficiary, as further security, and in default thereof, Beneficiary may procure such insurance and/or make such repairs, and expend for either of such purposes such sum or sums as Beneficiary shall deem necessary. The amount collected by Beneficiary under any fire or other insurance policy may be applied by Beneficiary upon the indebtedness secured hereby and in such order as Beneficiary may determine, or, at the 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. 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, 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 said property, or any part thereof, is hereby assigned and shall be paid to Beneficiary, who may apply or release such moneys received by him in the same manner and with the same affect as herein provided for disposition of proceeds of insurance.

6. Except as may be required by law, 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.

7. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his 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.

8. At any time, and from time to time, without liability therefore, upon written request of Trustor and Beneficiary, 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 said property, Trustee may consent in writing to the making of any map or plat thereof or join in granting any easement thereon.

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 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".

10. 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.

11. The following covenants Nos. 1, 3, 4 (interest 12%), 5, 6, 7 (counsel fees - a reasonable percentage), 8 and 9 of Nevada Revised Statutes 107.030, are hereby adopted and made a part of this Deed of Trust, and, notwithstanding any provision of said covenant No. 7 to the contrary, proceeds of any foreclosure sale shall be distributed pursuant to the provisions of Nevada Revised Statutes 40.462.

12. 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.

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

14. 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.

15. In this Deed of Trust, unless the context requires otherwise, 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. If all or any portion of the property which is the subject of this Deed of Trust is conveyed from Trustor by deed, contract, execution, instrument or any other mode or means, voluntarily or involuntarily, not caused by the demise of Trustor, which will effect, in law or equity, a divestiture of Trustor's interest or title in said property, the note secured hereby shall accelerate and the entire balance of principal and

interest, including guaranteed interest, then unpaid, plus any prepayment penalties, shall forthwith become due and payable without notice or demand.

OLD TOWN VENTURES, LLC
A Nevada limited liability company

By: *William R. Tomerlin*
William R. Tomerlin, Member

By: *Marsha L. Tomerlin*
Marsha L. Tomerlin, Member

By: *Greg W. Johnson*
Greg W. Johnson, Member

By: *Jeannie F. Johnson*
Jeannie F. Johnson, Member

STATE OF Nevada)
) ss
COUNTY OF DOUGLAS)

This instrument was acknowledged before me on JUNE 24, 2003, by WILLIAM R. TOMERLIN, Member.

Kathy Swain
Notary Public



STATE OF Nevada)
) ss
COUNTY OF DOUGLAS)

This instrument was acknowledged before me on JUNE 24, 2003, by MARSHA L. TOMERLIN, Member.

Kathy Swain
Notary Public



STATE OF Nevada)
) ss
COUNTY OF DOUGLAS)

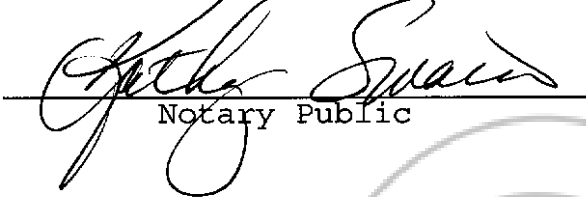
This instrument was acknowledged before me on JUNE 24, 2003, by
GREG W. JOHNSON, Member.


Notary Public



STATE OF Nevada)
) ss
COUNTY OF DOUGLAS)

This instrument was acknowledged before me on JUNE 24, 2003, by
JEANNIE F. JOHNSON, Member.


Notary Public



Legal Description

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

The land referred to herein is situated in the State of Nevada, County of Douglas, described as follows:

PARCEL 1:

A portion of the Southwest ¼ of Section 33, Township 13 North, Range 20 East, M. D. B.& M., situate and being in the Townsite of Gardnerville, Douglas County, Nevada, described as follows:

COMMENCING at the intersection of the Southerly line of Main Street with the Easterly line of Eddy Street in the Town of Gardnerville, Nevada, and running thence Southeasterly along the Southerly line of Main Street, 50 feet, more or less, to the Westerly line of the property formerly known as the Valhalla Hall property; thence Southwesterly along the Westerly line of said property formerly known as Valhalla Hall Property, 90 feet; thence at a right angle Northwesterly, 50 feet, more or less, to the Easterly line of Eddy Street; thence Northeasterly along the Easterly line of Eddy Street 90 feet to the Point of Beginning.

PARCEL 2:

All that portion of the Southwest ¼ of Section 33, Township 13 North, Range 20 East, M. D. B. & M., lying within the Townsite of Gardnerville, described as follows:

BEGINNING AT THE intersection of the most Easterly line of Eddy Street with the most Southerly line of Main Street in the Townsite of Gardnerville, Douglas County, Nevada, and running Southeasterly along the most Southerly line of Main Street a distance of 50 feet to the True Point of Beginning; running thence Southwesterly, parallel with the most Easterly line of Eddy Street, a distance of 101 feet; thence Southeasterly parallel with the most Southerly line of Main Street a distance of 12 feet; thence Southwesterly parallel with the most Easterly line of Eddy Street a distance of 79 feet to the South line of the 12 foot easement heretofore conveyed to the United Farmers Telephone and Telegraph Company; thence Southeasterly parallel with the most Southerly line of Main Street a distance of 52 feet to the most Westerly line of the property of Anna C. Frey; thence Northeasterly and parallel with the most Easterly line of Eddy Street and along the most Westerly line of the property of said Anna C. Frey, a distance of 180 feet, more or less, to the most Southerly line of Main Street; thence Northwesterly along the most Southerly line of Main Street, a distance of 64 feet to the True Point of Beginning.

PARCEL 3:

A portion of the Southeast ¼ of the Southwest ¼ Section 33, T. 13 N., R. 20 E. M. D. B. & M., more particularly described as follows:

Beginning at the point of intersection of the Southeast line of Eddy Street with the Southwest line of Main Street; thence South 45°41'00" West along the Southeast line of Eddy Street a distance of 90.00 feet to the True Point of Beginning; thence South 44°51'00" East 49.50 feet; thence South 45°41'00" West 11.00 feet; thence South 44°51'00" East 12.50 feet; thence South 45°41'00" West 60.50 feet; thence South 44°51' East along said Southwest line a distance of 52 feet, more or less, to the Northwest line of that certain parcel of land conveyed by Anna C. Frey and Walter Frey, her husband to Ray G. Whitaker, et ux recorded in Book Z of Deeds, Page 69; thence South 45°41' West along said Northwest line, a distance of 19.5 feet, more or less to the Southwest line of said aforementioned parcel; thence South 44°51' East along said Southwest line, a distance of 38.75 feet, more or less to the Northwest line of that certain parcel of land conveyed by J. C. Larson and Amelia Larson, his wife, to Mrs. Mary Jeperson, recorded in Book O of Deeds, Page 206, thence South 45°41' West, along said Northwest line a distance of 61.5 feet, more or less, to the Southwest line of that certain parcel of land conveyed by J. C. Larson and Amelia Larson, his wife, to P. J. Hickey, recorded in Book R of Deeds, Page 223, thence North 44°51'

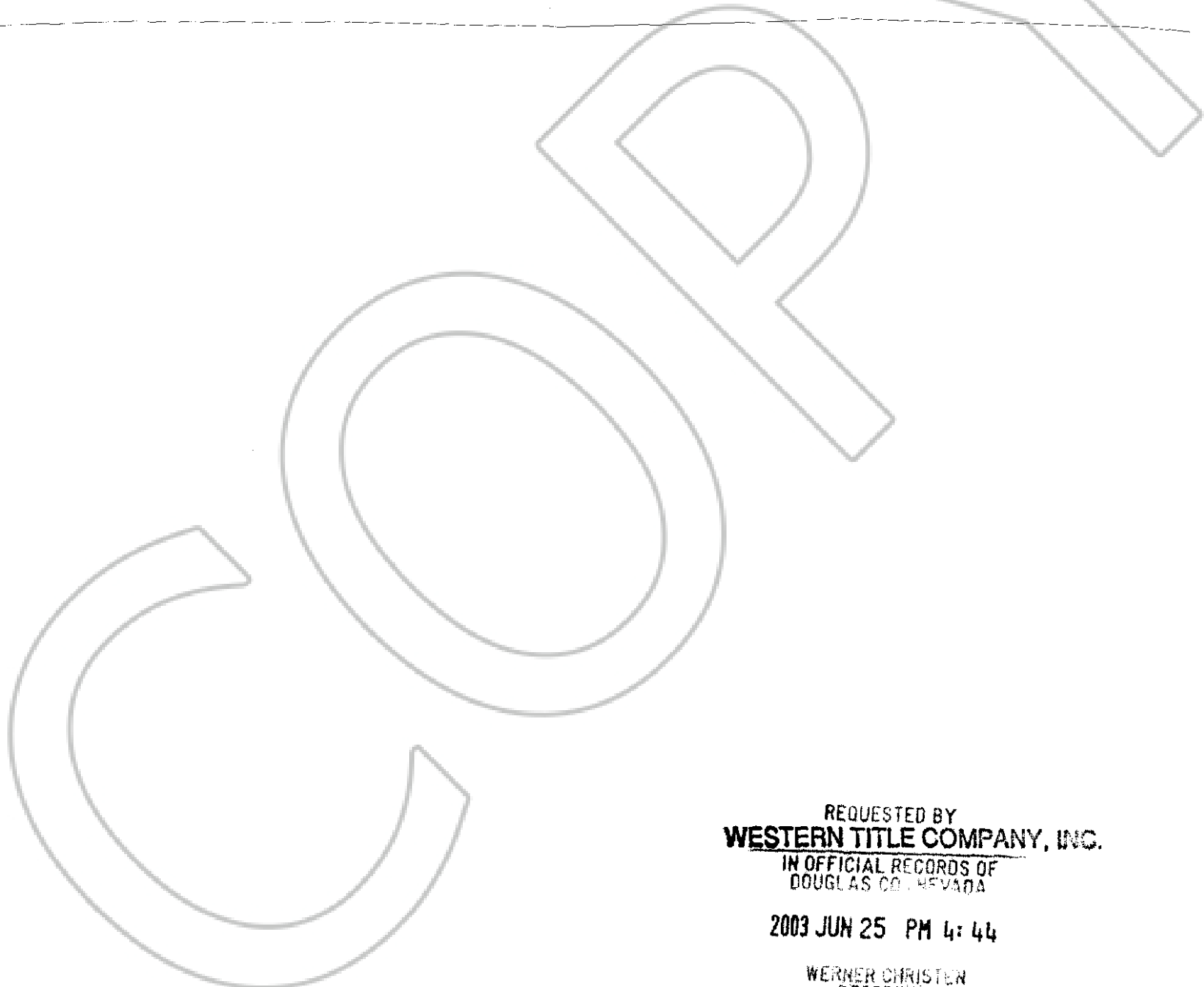
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Legal Description - Continued

West, along said aforementioned Southwest line, a distance of 152.75 feet more or less to the Southeast line of Eddy Street. Thence North 45°41' East along the Southeast line of Eddy Street a distance of 152.50 feet more or less, to the True Point of Beginning

NOTE (NRS 111.312): The above metes and bounds description appeared previously in that certain *Grant Bergan Sale Dec 9*, recorded in the office of the County Recorder of County, Nevada on *Dec 15 2000*, in Book *1200*, Page *72* as Document No. *505130* of Official Records.



REQUESTED BY
WESTERN TITLE COMPANY, INC.
IN OFFICIAL RECORDS OF
DOUGLAS CO. NEVADA

2003 JUN 25 PM 4:44

WERNER CHRISTEN
RECORDER

21 PAID *KJ* DEPUTY

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