WESTERN TITLE COMPANY, ING.

IN OFFICIAL RECORDS OF COUGLAS CO. HEYAGA

APN: 1222-00-002-045

RECORDING REQUESTED BY: Western Title Company, Inc.

WHEN RECORDED MAIL TO:

Name

WESTERN TITLE COMPANY INSTALLMENT COLLECTIONS

Street Address

500 DAMONTE RANCH PKWY, #657

City,State Zip RENO, NV 89511

Order No. 00089921-201- KLS

2004 MAY 25 PM 3: 49

WERNER CHRISTEN RECORDER

BIT PAID K2 DEPUTY

(SPACE ABOVE THIS LINE FOR RECORDERS USE)

DEED OF TRUST WITH ASSIGNMENT OF RENTS

This DEED OF TRUST, made on May 20, 2004, between RICHARD R. BATES and JOHN R. WILLHALM TRUSTEE and SHARON G. WILLHALM TRUSTEES OF THE JS WILLHALM FAMILY TRUST DATED FEBRUARY 26, 2001, TRUSTOR, whose address is P.O. BOX 273, CARSON CITY, NV 89702, Western Title Company, Inc., a Nevada Corporation, TRUSTEE, and GRETCHEN DERMODY, AN UNMARRIED WOMAN, BENEFICIARY,

WITNESSETH: That Trustor grants to Trustee in Trust, with Power of Sale, that property in the County of Douglas, 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, subject, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits.

For the Purpose of Securing (1) payment of the sum of \$35,000.00 with interest thereon according to the terms of a promissory note or notes of even date herewith made by Trustor, payable to order of Beneficiary, and extensions or renewals thereof; (2) the performance of each agreement of Trustor incorporated by reference or contained herein or reciting it is so secured; (3) Payment of additional sums and interest thereon which may hereafter be loaned to Trustor, or his successors or assigns, when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust.

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BK 0504 PG 12605

Deed of Trust - Page 2

To protect the security of this Deed of Trust, and with respect to the property above described, Trustor expressly makes each and all of the agreements, and adopts and agrees to perform and be bound by each and all of the terms and provisions set forth in subdivision A and it is mutually agreed that each and all of the terms and provisions set forth in subdivision B of the Fictitious Deed of trust recorded in the office of each County Recorder in the State of Nevada on January 30,1968, in the book and at the page thereof, or under the document or file number, noted below opposite the name of such county, namely:

COUNTY	BOOK	PAGE	DOC. NO.	COUNTY	BOOK	PAGE	DOC. NO.
Churchill	39 Mortgages	363	115384	Lincoln			45902
Clark	850 Off. Rec.		682747	Lyon	37 Off. Rec.	341	100661
Douglas	57 Off. Rec.	115	40050	Mineral	11 Off. Rec.	129	89073
Elko	192 Off. Rec.	652	35747	Nye	105 Off. Rec.	107	04823
Esmeralda	3-X Deeds	195	35922	Ormsby	72 Deeds	537	32867
Eureka	22 Off. Rec.	138	45941	Pershing	11 Off. Rec.	249	66107
Humboldt	28 Off. Rec.	124	131075	Storey	"S" Off. Rec.	206	31506
Lander	24 Off. Rec.	168	50782	Washoe	300 Off. Rec.	517	107192
				White Pine	295 R.E. Records	258	

shall insure to and bind the parties hereto, with respect to the property above described. Said agreements, terms and provisions contained in said subdivisions A and B (identical in all counties, and printed on the reverse side hereof) are by the within reference thereto, incorporated herein and made a part of Deed of Trust for all purposes as fully as if set forth at length herein, and Beneficiary may charge for a statement regarding the obligation secured hereby, provided the charge therefor does not exceed a reasonable amount.

The undersigned Trustor, requests that a copy of any notice of default and any notice of sale hereunder be mailed to him at this address herein before set forth.

RICHARD R. BATES

JOHN R. WILLHALM TRUSTEE

Deed of Trust - Page 3

Marin S. Milhalm Bushe SHARON G. WILLHALM TRUSTEE

STATE OF NEVADA

COUNTY OF DOUGLAS

This instrument was acknowledged before me on

May 20, 2004

by Richard R. Bates, John R. Willhalm & Sharon G.

Willhalm

The second second

KATHY SWAIN

Notary Public - State of Nevada Appointment Recorded in County of Douglas My Appointment Expires Aug. 13, 2004

Notary Public

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Exhibit A

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

The N 1/2 of the NE 1/4 of the NW 1/4 of the NE 1/4 of Section 19, T.12 N., R. 22 E., M.D.B. & M.

NOTE (NRS 111.312): The above metes and bounds description appeared previously in that certain GRANT, BARGAIN AND SALE DEED, recorded in the office of the County Recorder of Douglas County, Nevada on January 12, 1977, in Book 177, Page 450, as Document No. 66078, of Official Records.

