

REQUESTED BY
FIRST AMERICAN TITLE CO.

IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

2004 JUN -4 PM 12: 33

WERNER CHRISTEN
RECORDER

\$17⁰⁰ PAID *KJ* DEPUTY

APN: 1420-07-601-002

Escrow No. 2116481-KB

When Recorded Please Mail To:

Rudy Staedler and Beverly Ann Staedler
1122 Willow Street Suite 200
San Jose, CA 95125

DEED OF TRUST

THIS DEED OF TRUST, made this 3 day of May, 2004, by and between STAEDLER & SCOTT HOLDINGS, LLC, a Nevada Limited Liability Company, c/o Vince Scott, 899 Tahoe Boulevard, Incline Village NV 89451, TRUSTOR; FIRST AMERICAN TITLE COMPANY OF NEVADA, a Nevada corporation, TRUSTEE; and, RUDY STAEDLER and BEVERLY ANN STAEDLER 1992 REVOCABLE TRUST dated July 23, 1992, RUDY STAEDLER and BEVERLY ANN STAEDLER, TRUSTEES, of 983 Hook Court, Incline Village NV 89451, BENEFICIARY;

WITNESSETH:

That Trustor does hereby grant, bargain, convey and confirm unto said Trustee, in trust with power of sale, all that certain real property situate in the County of Douglas, State of Nevada, described as follows:

PARCEL 1: Parcel 2 as set forth on Parcel Map LDA 00-028 for INDIAN HILL STATION, Limited Partnership, recorded in Book 1200, Page 2644 as Document No. 505028 of Official Records.

PARCEL 2: Those certain easements as set forth in a Reciprocal Easement Declaration recorded December 14, 2000 in Book 1200, Page 2644 as Document No. 505029 of Official Records.

And also, all the estate, interest, homestead, or other claim, as well in law as in equity, which said Trustor now has or may hereafter acquire in and to the said property, together with all easements and rights of way held or used in connection therewith or as means of access thereto, and, all and singular, the tenements, hereditaments and 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 ONE

0615216
BK0604PG02261

THOUSAND SEVEN HUNDRED SIXTY SIX AND 78/100THS DOLLARS (\$1,001,766.78) evidenced by a promissory note of even date herewith, with interest thereon according to the terms of said note, which note by reference is hereby made a part hereof, executed by Trustor and delivered to Beneficiary, and any and all extensions or renewals thereof, payment of such additional sum with interest thereon as may hereafter be loaned by Beneficiary to Trustor, payment of all other sums with interest thereon becoming due and payable under the provisions hereof to either Trustee or Beneficiary, and the performance and discharge of each and every obligation, covenant and agreement of Trustor herein contained.

AND THIS INDENTURE FURTHER WITNESSETH:

1. Trustor promises and agrees to pay when due all claims for labor and materials furnished for any 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, and to permit Beneficiaries to enter at all reasonable times for the purpose of inspection.

2. Trustor covenants to keep all buildings that may now or at any time be on said property during the continuance of this trust 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, as may be approved by Beneficiary for such sum or sums as shall equal the total indebtedness secured by this deed of trust, and the same shall be payable to Beneficiary hereby secured, and to deliver the policy to Beneficiary or to the collection agent of Beneficiary, 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 proper.

3. The following covenants, Nos. 1, 3, 4 (interest 10%), 5, 6, 7 (a reasonable percent), 8 and 9 of Nevada Revised Statutes 107.030, are hereby adopted and made a part of this deed of trust.

4. Trustor agrees to pay any deficiency arising from any cause after application of the proceeds of any sale held in accordance with the provisions of the covenants hereinabove adopted by reference.

5. The rights and remedies hereby granted shall not exclude any other rights and remedies granted by law, and all rights and remedies granted hereunder or permitted by law shall be concurrent and cumulative. A violation of any of the covenants herein expressly set forth shall have the same effect as the violation of any covenant herein adopted by reference.

6. All the provisions, benefits and obligations of this instrument shall apply to, inure to and bind the heirs, representatives, executors, successors and assigns of the parties hereto and the holders hereof. Whenever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall include the other genders.

7. Trustor assigns hereby to Beneficiary any and all rents of the above-described premises accruing after default, and hereby authorizes the Trustee or a receiver to be appointed on application of Trustee, or Beneficiary, without waiving or affecting the right of foreclosure or any other right hereunder, to take possession of the premises at any time after there is a default in the payment of said debt or in the performance of any of the obligations herein contained and to rent the premises for the account of Trustor. At any Trustee's sale hereunder held, the Trustee shall sell the property herein described as a single unit unless otherwise specifically directed, and at such sale is hereby authorized to bid for Beneficiary or other absent persons.

8. It is hereby agreed that the trust created hereby is irrevocable by Trustor.

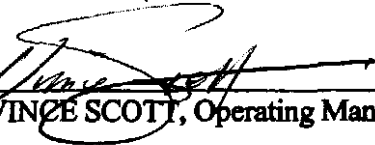
9. This deed of trust is executed by Trustor and accepted by Beneficiary with the express understanding that the relationship of landlord and tenant shall exist as between the purchaser of the property covered hereby upon foreclosure proceedings and Trustor and their successors in interest, and they may be removed therefrom by any proceeding authorized by law, including an unlawful detainer action in the event the possession of said property should not voluntarily be surrendered to such purchaser.

10. If the Trustor or his successors in interest, shall sell, convey or alienate the property described herein, or any part thereof, or any interest therein, in any manner or way, whether voluntary or involuntary, any indebtedness or obligation secured hereby, at the option of the holder hereof, and without demand or notice, shall immediately become due and payable.

IN WITNESS THEREOF, the undersigned have hereunto set their hands the day and year first above written.

STAEDLER & SCOTT HOLDINGS, LLC

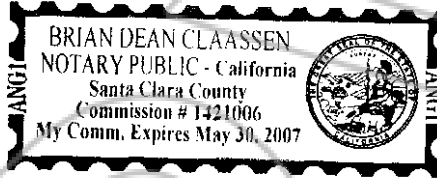
By 
RUDY STAEDLER, Operating Manager

By 
VINCE SCOTT, Operating Manager

STATE OF California)
COUNTY OF Santa Clara) ss.

This instrument was acknowledged before me on this 12th day of May, 2004, by RUDY STAEDLER on behalf of STAEDLER & SCOTT HOLDINGS, LLC.

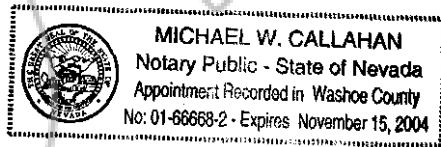
Brian Dean Claassen
Notary Public



STATE OF Nevada)
COUNTY OF Washoe) ss.

This instrument was acknowledged before me on this 17th day of May, 2004, by VINCE SCOTT on behalf of STAEDLER & SCOTT HOLDINGS, LLC.

Michael W. Callahan
Notary Public



THIS INSTRUMENT IS BEING RECORDED AS AN ACCOMMODATION ONLY. NO LIABILITY EXPRESS OR IMPLIED, IS ASSUMED AS TO ITS REGULARITY OR SUFFICIENCY NOR AS TO ITS AFFECT, IF ANY, UPON TITLE TO ANY REAL PROPERTY DESCRIBED THEREIN.

FIRST AMERICAN TITLE CO.