

Assessor's Parcel No. 1220-16-610-002

After Recording Mail To:

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

GRANTEES' ADDRESS:

Owen and Thelma Hearold  
949 Starlight Ct.  
Gardnerville, NV 89460

Mail Future Tax Statements To:

Owen and Thelma Hearold  
949 Starlight Ct.  
Gardnerville, NV 89460

24-7296  
=====

REQUESTED BY  
**MARQUIS TITLE & ESCROW**  
IN OFFICIAL RECORDS OF  
DOUGLAS CO., NEVADA

2004 SEP 17 PM 4:05

WERNER CHRISTEN  
RECORDER

\$ 19.00 PAID 02 DEPUTY

**DEED OF TRUST AND ASSIGNMENT OF RENTS**

THIS DEED OF TRUST, is made and executed this 17th day of September, 2004, between Owen E. Hearold and Thelma Hearold, herein called "Trustor", Western Title Company, Inc., Trustee, herein called "Trustee" and Steamboat Capital, LLC, 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:

Lot 42b, as shown on the Map of RESUBDIVISION of Lots 91-A & B; 92-A & B; 93 through 96, and 221 through 232, GARDNERVILLE RANCHOS UNIT NO. 2, filed in the office of the County Recorder of Douglas County, State of Nevada, on July 10, 1967, as Document No. 37049.

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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 **Seventy-Five Thousand Dollars**, according to the terms of a Promissory Note dated ~~September 16~~, 2004.
- 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. At any time, and from time to time, without liability therefore and without notice to Trustor, upon written request of Beneficiary and presentation of this Deed of Trust and the note secured hereby for endorsement, 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 the remainder of said property, Trustee may: 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 of subordination agreement in connection herewith.

8. 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."

9. At any time when an unrescinded Notice of Default and Election to Sell under Deed of Trust is not of record, on written request of the Trustor, partial reconveyances from the lien or charge of this Deed of Trust shall be granted by the Beneficiary (through the Trustee) for individual lots within the real property encumbered herein, subject to payment by Trustor of a sum equal to the pro-rata share of the lot released to the remaining indebtedness secured hereby. Trustor shall pay all costs of executing and recording any such partial reconveyance.

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 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.

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. If all or any part of the property or an interest therein is sold or transferred by Trustor without Beneficiary's prior written consent, excluding (a) the creation of a lien or encumbrance subordinate to this Deed of Trust, or (b) a transfer by devise, descent or by operation of law upon the death of a joint tenant, Beneficiary may, at Beneficiary's option, declare all the sums secured by this Deed of Trust to be immediately due and payable. If Beneficiary exercises the option to accelerate, Beneficiary shall mail Trustor notice of acceleration at Trustor's address set forth above, certified mail,

return receipt requested, providing for a period of not less than 35 days from the date the notice is mailed within which Trustor may pay the sums declared due. If Trustor fails to pay such sums prior to the expiration of such period, Beneficiary may, without further notice or demand on Trustor, invoke any remedies permitted upon default as set forth herein.

14. 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.

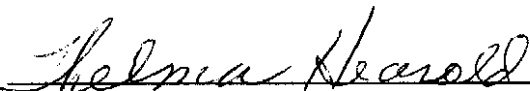
15. Trustee accepts this trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law, reserving, however, unto the Trustee, the right to resign from the duties and obligations imposed herein whenever Trustee, in its sole discretion, deems such resignation to be in the best interest of the Trustee. Written notice of such resignation shall be given to Trustor and Beneficiary.

16. 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".

17. 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.


Trustor:

  
\_\_\_\_\_  
OWEN E. HEAROLD

  
\_\_\_\_\_  
THELMA HEAROLD

STATE OF NEVADA )  
                  *Douglas* ) ss.  
COUNTY OF ~~WASHOE~~ )

On this 17<sup>th</sup> day of September, 2004, before me a Notary Public, personally appeared OWEN E. HEAROLD and THELMA HEAROLD, who severally acknowledged to me that they executed the foregoing instrument.

  
NOTARY PUBLIC

