

OFFICIAL RECORD

Requested By:

STEWART TITLE

002
A. P. No. 1220-10-601-02
Escrow No. 040803436

Douglas County - NV
Werner Christen - Recorder
Page: 1 Of 11 Fee: 24.00
BK-0405 PG- 8615 RPTT: 0.00

When recorded mail to:
Thomas
2980 Candy Lane
Gardnerville, Nv 89410



DEED OF TRUST
WITH ASSIGNMENT OF RENTS

THIS DEED OF TRUST, made April 21, 2005, between F. WAYNE ZIEGLER, a married man, dealing with his sole and separate property, herein called "Trustor", whose address is: 578 Leealan Drive, Gardnerville, NV 89460, STEWART TITLE OF DOUGLAS COUNTY, a Nevada corporation, herein called "Trustee", and DAVID R. THOMAS and JUDITH E. THOMAS, husband and wife, as joint tenants with right of survivorship, herein called "Beneficiary", whose address is: 2980 Candy Lane, Gardnerville, NV 89410,

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:

SEE EXHIBIT "A" ATTACHED HERETO.

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: Each and every term, covenant and condition herein contained and contained in that certain document entitled "Agreement" (herein "Agreement") executed by Trustor and Beneficiary, a copy of which is attached hereto as Exhibit "A".

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 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 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 at least in the sum of 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 any monetary loss suffered by Beneficiary as a result of the breach by Trustor of a provision of this Deed of Trust or of the Agreement hereby secured. The policy or policies of said insurance shall 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 shall be applied by Beneficiary upon any monetary loss suffered by Beneficiary as a result of the breach by Trustor of a provision of this Deed of Trust or of the Agreement secured hereby, and any balance shall 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. At any time, and from time to time, without liability therefor, upon written request of Trustor and Beneficiary, and without affecting the personal liability of any person for performance of the Agreement 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.

8. Upon receipt of written request from Beneficiary that the Agreement secured hereby has been performed and upon the surrender of this Deed of Trust and the Agreement 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. Should Trustor default in any term, covenant or condition of the Agreement secured hereby, or in the performance of any of the covenants and agreements herein contained or incorporated herein by reference, Beneficiary may proceed to exercise the remedies herein provided.



10. The following covenants Nos. 1, 3, 4 (interest 18%), 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.

11. 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; however, such deficiency shall not exceed the difference, if any, between the unpaid balance of the note secured by the Deed of Trust, referred to below, together with accrued interest, costs and attorney's fees, and the fair market value of the property, valued as of the date of the foreclosure sale.

12. 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.

13. 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.

14. 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 Agreement secured hereby. The term "Trustor" includes the term "Grantor".

15. Trustee, its successor or assign, is hereby appointed the attorney-in-fact of Beneficiary for the purpose of reconveying this Deed of Trust upon (a) satisfactory evidence being presented to Trustee of the reconveyance of the Deed of Trust in favor of SIERRAWEST BANK, and which Deed of Trust is dated April 9, 1998, recorded April 16, 1998, in Book 498, Page 2952, Document No. 437428, Official Records, Douglas County, Nevada, and the Deed of Trust in favor of JEROME L. KEENAN and JOANN KEENAN, and which Deed of Trust is dated March 9, 1998, recorded April 16, 1998, in Book 498, Page 2965, Document No. 437430, Official Records, Douglas County, Nevada; or (b) satisfactory evidence being presented to Trustee of the novation of Beneficiary's liability upon the note secured by the foregoing Deed of Trust; or (c) if said Deed of Trust has not been previously reconveyed, then the same shall be reconveyed on June 21st, 2005, provided that Trustor is not then in

A. P. No. 1220-10-601-002
Escrow No. 040803436

When recorded mail to:

A G R E E M E N T

THIS AGREEMENT, made and entered into on April 21, 2005, 2005, by and between F. WAYNE ZIEGLER, a married man, dealing with his sole and separate property, hereinafter referred to as "Buyer", party of the first part, and DAVID R. THOMAS and JUDITH K. THOMAS, husband and wife, as joint tenants with right of survivorship, hereinafter referred to as "Seller", parties of the second part,

W I T N E S S E T H :

WHEREAS, Buyer has agreed to purchase from Seller certain real property situate in the County of Douglas, State of Nevada, described as follows:

SEE EXHIBIT "A" ATTACHED HERETO;

and

WHEREAS, the foregoing property is encumbered by a Deed of Trust securing a Promissory Note in favor of SIERRAWEST BANK, which Deed of Trust is dated April 9, 1998, recorded April 16, 1998, in Book 498, Page 2952, Document No. 437428, Official Records, Douglas County, Nevada; and

WHEREAS, the foregoing property is further encumbered by a Deed of Trust securing a Promissory Note in favor of JEROME L. KEENAN and JOANN KEENAN, husband and wife, as joint tenants with right of survivorship, which Deed of Trust is dated March 9, 1998, recorded April 16, 1998, in Book 498, Page 2965, Document No. 437430, Official Records, Douglas County, Nevada; and

WHEREAS, Seller is agreeable to sell said property to Buyer provided that Buyer perform all terms and provisions of the foregoing Promissory Notes and Deeds of Trust as though Buyer were the original maker of said Promissory Notes and original Trustor of said Deeds of Trust, and provided that Buyer shall pay such Notes in full on or before June 21st, 2005, and provided further that, in the event of the acceleration of the

LAW OFFICES OF JUDITH A. OTTO, LTD. ♦ 1610 MONTCLAIR AVENUE, SUITE B ♦ RENO, NEVADA 89509



foregoing indebtedness as a result of the sale of said property by Seller to Buyer, Buyer agrees to deal with said acceleration in the manner hereinafter set forth;

NOW, THEREFORE, in consideration of the premises, it is agreed as follows:

1. Buyer agrees to perform all terms and provisions of the foregoing Promissory Notes and Deeds of Trust as though Buyer was the original maker of said Promissory Notes and original Trustor of said Deeds of Trust until June 21st, 2005, at which time Buyer shall pay such Promissory Notes in full or assume such obligations and cause the novation of the Seller.

2. Buyer understands that Seller remains liable upon the foregoing Promissory Notes, even though the subject property has been sold to Buyer. Buyer agrees that the failure of Buyer to promptly perform all terms and provisions of said Promissory Notes and Deeds of Trust will result in damage to the credit-worthiness of Seller. The parties agree that the damage to the credit-worthiness of Seller is difficult, if not impossible, to measure. Accordingly, in the event of the failure of Buyer to promptly perform all terms and provisions of said Promissory Notes and Deeds of Trust, the parties agree that the damages sustained by Seller to Seller's credit-worthiness shall be deemed to be the balances owing upon said Promissory Notes, as of the date of the recordation of a notice of default and election to sell for breach by Buyer, plus accrued interest upon said Promissory Notes, together with any prepayment penalties required upon said Promissory Note, and all advances made by Seller. Buyer further acknowledges that the amount of such damages is a fair estimate of the damages Seller would suffer in the event of Buyer's default, and that such liquidated damages are not imposed as a penalty.

3. Buyer and Seller acknowledge that the foregoing Promissory Notes and Deeds of Trust contain may acceleration clauses, which clauses enable the holder and beneficiary of said Notes and Deeds of Trust to declare the unpaid balance of said Notes immediately due and payable upon sale of the property. Further, the delivery of the Deed from Seller to Buyer for the property encumbered by said Deeds of Trust constitutes a sale of the property which will enable the holder and beneficiary of said Notes and Deeds of Trust to declare the unpaid balance of the Notes all due and payable. In the event said Note is accelerated, Buyer agrees to (i) assume said Notes and Deeds of Trust in accordance with the demand of the holder and



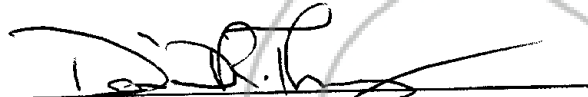
beneficiary, including the payment of any assumption fee, and to cause a novation of the liability of Seller upon said Notes and Deeds of Trust, or (ii) pay said Notes in full, including any prepayment penalty.


4. The performance of the Agreement by Buyer shall be secured by a Deed of Trust upon the above-described property, executed by Buyer in favor of Seller.

5. In the event of the foreclosure of the Deed of Trust executed by Buyer in favor of Seller, the proceeds of the foreclosure sale, less those expenses set forth in Nevada Revised Statutes 107.030, Covenant No. 7, shall be applied pro rata to the Note in favor of SIERRAWEST BANK and the note in favor of JEROME L. KEENAN and JOANN KEENAN, to the extent of the unpaid balances thereof, and any excess funds shall be paid to the order of Buyer. All advances made by Seller shall accrue interest at the rate of 18% per annum.

6. This Agreement shall be binding upon the heirs, successors and assigns of the parties hereto.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date and year first above written

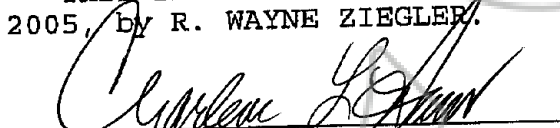

David R. Thomas

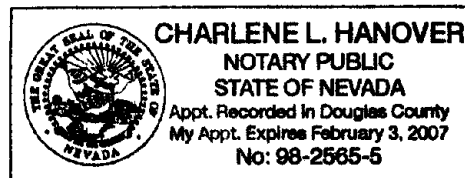

R. Wayne Ziegler


Judith K. Thomas

STATE OF NEVADA)
) ss
COUNTY OF DOUGLAS)

This instrument was acknowledged before me on April 21st, 2005, by R. WAYNE ZIEGLER.

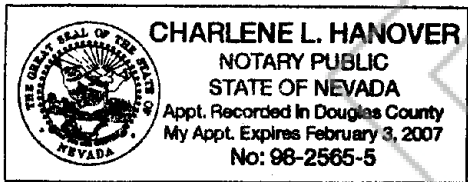

Notary Public



STATE OF NEVADA)
) SS
COUNTY OF DOUGLAS)

This instrument was acknowledged before me on April 21st
2005, by DAVID R. THOMAS and JUDITH K. THOMAS.

Charlene L. Hanover
Notary Public



default hereunder. Fees and costs incurred in connection with such reconveyance shall be paid by Trustor.

16. Beneficiary shall have the right to first approve the credit-worthiness of any purchaser at a foreclosure sale held hereunder who does not cause the novation of Beneficiary upon the obligation secured by the Deed of Trust last mentioned above. Beneficiary shall not unreasonably withhold approval of the sale of the property to a purchaser at the foreclosure sale who has reasonably satisfactory credit.

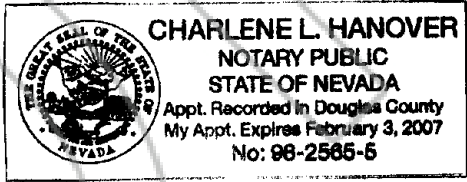
TRUSTOR:

R. Wayne Ziegler
R. Wayne Ziegler

STATE OF NEVADA)
) ss
COUNTY OF DOUGLAS)

This instrument was acknowledged before me on 4/21/2005, 2005, by R. WAYNE ZIEGLER.

Charlene L. Hanover
Notary Public



The Beneficiary joins in the execution of this Deed of Trust for the purpose of agreeing and consenting to the provisions contained in Paragraph 15 herein.

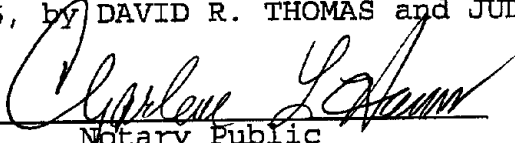
DATED: April 21st, 2005.

David R. Thomas
David R. Thomas

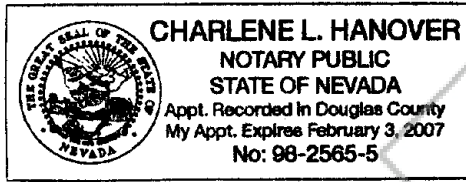
Judith K. Thomas
Judith K. Thomas

STATE OF NEVADA)
) ss
COUNTY OF DOUGLAS)

This instrument was acknowledged before me on April 21st,
2005, by DAVID R. THOMAS and JUDITH K. THOMAS.



Notary Public



COPY

**EXHIBIT "A"
LEGAL DESCRIPTION**

Order No.: 040803436

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

Parcel 1 as shown on the Parcel Map for Sierra View
Enterprises filed for record in Book 992 at Page 254 as
Document No. 287403, Official Records of Douglas County,
Nevada.

Except Therefrom: all that portion of said parcel located
along the northeasterly boundary line of said parcel as
described in Deed recorded August 11, 1992, in Book 892,
Page 1434, as Document No. 285622, Official Records of
Douglas County, Nevada.

Together with all that portion of parcel 2 as shown on
aforesaid Parcel map described as follows:

Commencing at the Southwesterly corner common to said
parcels 1 and 2 which point is the TRUE POINT OF BEGINNING;
thence along the Southwesterly line of said Parcel 2 South
45°59'05" East a distance of 142.47 feet; thence leaving
said line North 44°26'06" East a distance of 220.66 feet to
a point on the Southwesterly right-of-way line of Highway
395 as described in Deed filed for record in Book 892 at
Page 1434, as Document No. 285622, Official Records of
Douglas County, Nevada; thence along said right-of-way line
North 45°32'00" West a distance of 142.35 feet to a point
on the line between said Parcels 1 and 2; thence along said
line South 44°28'00" West a distance of 219.30 feet to the
TRUE POINT OF BEGINNING.

Said premises further imposed as Adjusted Parcel 1 on that
certain Record of Survey recorded May 16, 1994, Book 594,
Page 2760, Document No. 337648, Official Records.

APN 1220-10-601-002

