

OFFICIAL RECORD

Requested By:

STEWART TITLE

Recording Request By
Stuart Kamille
Kathleen Kamille

Douglas County - NV
Werner Christen - Recorder
Page: 1 Of 8 Fee: 21.00
BK-0505 PG-02776 RPTT: 0.00



After Recording, Return To
Stuart Kamille
Kathleen Kamille
636 Jefferson Circle
Atlanta, Georgia 30328

APN 1418-11-110-014

050200907

(Space above this line for recorder's use)

FIRST DEED OF TRUST
TO SECURE PROMISSORY NOTE

THIS DEED OF TRUST, made this 5th day of May, 2005, between John Serpa, Sr., an unmarried man, herein called Trustor, Stewart Title Co., whose address is 276 Kingsbury Grade #2001, Stateline, Nevada, 89449, herein called Trustee; and Stuart Kamille and Kathleen Kamille herein called Beneficiaries,

WITNESSETH: That Trustor irrevocably grants, transfers, and assigns to Trustee in trust, with power of sale, that real property and water rights in the County of Douglas, State of Nevada, described as follows:

Lot 22, in Block B, or GLENBROOK UNIT 3, (3-A) as shown on the map Glenbrook Unit No. 3, filed in the office of the County Recorder of Douglas County, Nevada on June 13, 1980 as Instrument No. 45299, in Book 680 of Maps, at page 1269, and Certificate of Amendment recorded March 3, 1981, in Book 381 of Official Records at page 117, Douglas County, Nevada.

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TOGETHER WITH the rents, issues, and profits thereof.

AND, ALSO, TOGETHER WITH all of the estate, interest, homestead or other claim, in law as well as in equity, which

Trustor has or may hereafter acquire in and to said property, together with all easements and rights of way used in connection therewith, water rights or share of stock evidencing such water or water rights, and all fixtures now or hereafter attached to or used in connection with the premises above described, together with all and singular the tenements, the hereditaments and the 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 TWO HUNDRED AND THIRTY THOUSAND DOLLARS (\$1,230,000.00) as follows:

\$1,230,000 and accrued interest thereon, as evidenced by a Promissory Note and secured by Deed of Trust, of even date herewith, according to the terms of said Promissory Note, which Promissory Note is specifically referred to, and by said reference is made a part thereof, as if set out in full, executed by Trustor and delivered to Beneficiary, and payable to their order and any and all extensions or renewals thereof; payment of all other sums with interest thereon becoming due and payable under the provision hereto to Beneficiaries and the performance and discharge of each and every obligation, covenant and agreement of Trustor herein contained.

AND THIS INDENTURE FURTHER WITNESSETH:

A. To protect the security of this Deed of Trust, Trustor agrees:

1. To keep said property in good condition and repair; not to remove or demolish any building thereon without the prior written consent of Beneficiaries; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged, or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer, or permit any act upon said property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.

2. To provide, maintain and deliver to Beneficiaries all coverage loss insurance in the amount of not less than \$1,230,000, satisfactory to and with loss payable to Beneficiaries, until such time as the existing Promissory Note is fully paid. The Beneficiaries shall be named as first beneficiaries for this insurance covering all property improvements in the amount of not less than the outstanding amount of the loan. The amount collected under any fire or other insurance policy may be applied by Beneficiaries upon any indebtedness secured hereby and in such order as Beneficiaries may determine, or at option of Beneficiaries 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.

The Trustor's insurance company shall direct to Beneficiaries a notice of failure to make premium payments as due. Failure to maintain adequate insurance shall be cause for default if premiums are not immediately paid and made good and the required insurance coverage reinstated within five (5) days of notice of default.

3. To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiaries or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorneys' fees in a reasonable sum, in any such action or proceeding in which Beneficiaries or Trustee may appear.

4. To pay at least ten days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock; when due, all encumbrances, charges, and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees, and expenses of this Trust.

5. To pay immediately and without demand all sums expended by Beneficiaries or Trustee pursuant to the provisions hereof, with interest from date of expenditure at the amount allowed by law in effect at the date hereof.

6. Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiaries or Trustee, but without obligation to do so and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may make or do the same in such manner and to such



extent as either may deem necessary to protect the security hereof, Beneficiaries or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiaries or Trustee; pay, purchase, contest, or compromise any encumbrance, charge, or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, or in enforcing this Deed of Trust by judicial foreclosure, pay necessary expenses, employ counsel, and pay his reasonable fees.

B. It is mutually agreed that:

1. 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 Beneficiaries who may apply or release such moneys received by him in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

2. By accepting payment of any sum secured hereby after its due date, Beneficiaries do not waive their rights either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

3. At any time or from time to time, without liability therefore and without notice, upon written request of Beneficiaries and presentation of this Deed of Trust and said Promissory Note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may reconvey all or any part of said property; consent to the making of any map or plat thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.

4. Upon written request of Beneficiaries stating that all sums secured hereby have been paid, upon surrender of this Deed of Trust and said note to Trustee for cancellation and retention, and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in any reconveyance executed under this Deed of Trust of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto."



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5. As additional security, Trustor hereby gives to and confers upon Beneficiaries the right, power and authority, during the continuance of these Trusts, to collect the rents, issues, and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues, and profits as they become due and payable. Upon any such default, Beneficiaries may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in their own name sue for or otherwise collect such rents, issues, and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorneys' fees, upon any indebtedness secured hereby, and in such order as Beneficiaries may determine. The entering upon and taking possession of said property, the collection of such rents, issues, and profits, and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

6. The financial stability and managerial and operational ability of Trustor is a substantial and material consideration to Beneficiaries in their agreement to accept the Promissory Note. The transfer of the Trust Estate of change in the person or entity operating and managing the Trust Estate may significantly and materially alter and reduce Beneficiaries' security for the Promissory Note. In order to induce Beneficiaries to accept the Promissory Note, which is secured hereby, Trustor agrees not to transfer the Trust Estate, or any portion thereof, or interest therein, without the prior written consent of Beneficiaries. Beneficiaries may grant or deem such consent at their sole discretion and, if consent should be given, any such transfer shall be subject of the Deed of Trust, and any transfer shall be subject to the Deed of Trust, and any such transferee shall assume all obligations hereunder and agree to be bound by all provisions contained herein. Such assumption shall not, however, release Trustor or any maker or guarantor of the Promissory Note from any liability thereunder without the prior written consent of Beneficiaries. Beneficiaries shall have the absolute right at his option, without demand or notice, to declare all sums secured hereby immediately due and payable, irrespective of the Maturity Date. Consent to one such transfer shall not be deemed to be a waiver of the right to require consent to any future or successive



transfer. As used herein "transfer" includes the sale, agreement to sell, transfer or conveyance of the estate, or any portion thereof or interest therein, whether voluntary, involuntary, by operation of law or otherwise, or the lease of all or substantially all of the Estate. "Transfer" shall also include the transfer of any stock in Trustor, other than in the ordinary course of business.

7. Upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, all sums secured hereby shall immediately become due and payable at the option of the Beneficiaries. In the event of default, Beneficiaries may employ counsel to enforce payment of the obligations secured hereby, and shall execute or cause the Trustee to execute a written notice of such default and of his election to cause to be sold the herein described property to satisfy the obligations hereof, and shall cause such notice to be recorded in the office of the Recorder of each county wherein said real property or some part thereof is situated.

Prior to publication of the notice of sale, Beneficiaries shall deliver to Trustee this Deed of Trust and the Promissory Note or other evidence of indebtedness which is secured hereby, together with a written request for the Trustee to proceed with a sale of the property described herein, pursuant to the provisions of law and this Deed of Trust.

Notice of sale having been given as then required by law, and not less than the time then required by law having elapsed after recordation of such notice of default, Trustee, without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time and place fixed by the preceding postponement. Trustee shall deliver to the purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee or Beneficiaries, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee,



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including cost of evidence of title and reasonable counsel fees in connection with sale, Trustee shall apply the proceeds of sale to payment of all sums expended under the terms hereof, not then repaid, with accrued interest at five percent (5%) per annum; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

8. 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. The term Beneficiaries shall mean the holder and owner of the Promissory Note secured hereby; or, if the note has been pledged, the pledge thereof. 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.

9. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiaries, or Trustee shall be a party unless brought by Trustee.

10. Beneficiaries may from time to time or at any time substitute a Trustee or Trustees to execute the trust hereby created, and when any such substitution has been filed for record in the office of the Recorder of Douglas County, it shall be conclusive evidence of the appointment of such Trustee, and such new Trustee shall succeed to all of the powers and duties of the Trustee named herein.

11. In the event the herein described property, any part thereof, or any interest therein is sold, agreed to be sold, conveyed, or alienated by 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 thereof and without demand or notice shall immediately become due and payable.

12. Trustor requests that a copy of any Notice of Default and a copy of any Notice of Sale hereunder be mailed to the address given herein above.

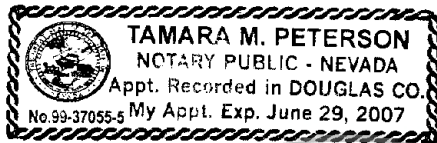


John Serpa, Sr.

STATE OF NEVADA)
) ss.
COUNTY OF DOUGLAS)

On May 6, 2005, before me, the undersigned, a Notary Public, in and for said State, personally appeared JOHN SERPA, SR., known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.


NOTARY PUBLIC



LP/Kamille/deedtrust

NO. 319 P. 23/27