

OFFICIAL RECORD

Requested By:

STEWART TITLE OF DOUGLAS
COUNTY

Douglas County - NV
Werner Christen - Recorder

Page: 1 Of 7 Fee: 20.00
BK-0705 PG- 8438 RPTT: 0.00



A.P. No. 1219-04-001-032

When recorded mail to:

James L. Morgan, Esq.
Henderson & Morgan, LLC
4600 Kietzke Lane, Suite K228
Reno, Nevada 89502

050101523

DEED OF TRUST WITH ASSIGNMENT OF RENTS

THIS DEED OF TRUST WITH ASSIGNMENT OF RENTS ("Deed of Trust") is made this 11 day of July, 2005 by and among DANIEL R. HICKEY and LAUREL C. HICKEY, husband and wife, as trustors (hereinafter collectively referred to as "Trustors"), STEWART TITLE OF DOUGLAS COUNTY, a Nevada corporation, as trustee (hereinafter referred to as "Trustee"), and David R. Belding, as Beneficiary (hereinafter referred to as "Beneficiary").

W_I_T_N_E_S_S_E_T_H:

That Trustors irrevocably grant to Trustee in trust, with power of sale, all interest of Trustors in that certain property situate in the County of Douglas, State of Nevada, more particularly described as follows:

See Exhibit "A" attached hereto and incorporated by reference herein.

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: (1) Payment of the principal sum of Eighty Five Thousand Dollars (\$85,000.00), together with accrued interest thereon, and other amounts payable in connection therewith, all according to the terms of a Promissory Note of even date herewith made by Daniel R. Hickey, payable to order of Beneficiary, and all extensions or renewals thereof; (2) the performance of each agreement of Trustors incorporated herein by reference or contained herein; and (3) payment of such additional sums which may hereafter be loaned to Trustors by

Beneficiary when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust.

AND THIS INDENTURE FURTHER WITNESSETH:

1. Trustors agree 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 or improvement 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. Trustors agree to pay and discharge all costs, fees and expenses of this trust incurred in connection with any default by Trustors.

3. During the continuance of this trust, Trustors covenant 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 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. Said insurance shall be payable to Beneficiary to the amount of the unsatisfied obligation to Beneficiary 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 may be applied by Beneficiary upon the indebtedness secured hereby and in such order as Beneficiary may determine, or, at the option of Beneficiary, the entire amount so collected, or any part thereof, may be released to Trustors. 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. Trustors promise and agree that if, during the existence of this trust, there be commenced or pending any suit or action affecting said property, or any

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part thereof, or the title thereto, or if any adverse claim for or against said property, or any part thereof, be made or asserted, they 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. As used herein, the term "Hazardous Substances" shall mean any or all of the following: (i) any and all hazardous substances, hazardous materials, toxic substances or solid waste as defined in the Clean Air Act, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, the Resource Conservation Act of 1976, as amended, and the Hazardous Materials Transportation Act and the regulations promulgated thereunder, (ii) any substance or materials listed as hazardous or toxic in the United States Department of Transportation Table, by the Environmental Protection Agency or any successor agency or under any Federal, state or local laws or regulations, (iii) any asbestos, poly-chlorinated biphenyls, urea formaldehyde foam, explosives or radioactive waste, or (iv) any other chemical, material or substances which is not classified as hazardous or toxic but exposure to which is prohibited, limited or regulated by any Federal, state, local or other governmental authority having jurisdiction over the Property. Trustors shall comply with any and all requirements imposed by law ("Legal Requirements") regarding the presence or removal of Hazardous Substances on the property, shall pay immediately, when due, the costs of removal from the property of any such Hazardous Substances which are required to be removed pursuant to any Legal Requirement and shall keep the property free of any lien which may arise pursuant to such Legal Requirements. The Trustors shall not, and shall not permit any person or entity to release, discharge, or dispose of any Hazardous Substances on the property except in compliance with all Legal Requirements and, if the same shall exist, Trustors shall immediately remove or cause to be removed from the property such Hazardous Substances to the extent required to be removed pursuant to any Legal Requirement.

7. 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 Trustors or Beneficiary or Trustee shall be a party, unless brought by Trustee.

8. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right either to require prompt payment, when due,

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of all other sums so secured or to declare default, as herein provided, for failure to so pay.

9. At any time, and from time to time, without liability therefor, upon written request of Trustors and Beneficiary, 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 said property, Trustee may consent in writing to the making of any map or plat thereof or join in granting any easement thereon.

10. 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."

11. Should Trustors default in the payment of any indebtedness secured hereby, or in the performance of any of the covenants and agreements secured hereby, herein contained or incorporated herein by reference, Beneficiary may declare all sums secured hereby immediately due and payable.

12. If a "Transfer of Interest" (as hereinafter defined) shall have occurred with respect to the Property, without the prior written consent of Beneficiary having first been obtained, then, at the option of Beneficiary, any indebtedness or obligation which is secured hereby shall immediately become due and payable, without demand or notice, irrespective of the maturity dates which may be expressed in any Loan Documents evidencing such indebtedness or obligation. A "Transfer of Interest" shall be deemed to have occurred with respect to the Property: (i) if Trustors, or any of them, shall, or shall enter into an agreement to, sell, transfer, convey or in any manner alienate any interest in the Property or shall be divested of title to the Property in any manner or way, whether voluntarily or involuntarily, and/or (ii) if Trustors, or any of them, is other than a natural person, and any beneficial interest in Trustors, or any one of them, is sold, transferred, conveyed, hypothecated or encumbered.

13. The following covenants, Nos. 1, 3, 4 (interest 12%), 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, and, notwithstanding any provision of said covenant No. 7 to the contrary, proceeds of any foreclosure sale shall be distributed pursuant to the provisions of Nevada Revised Statutes 40.462.

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14. Trustors agree 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.

15. 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 Trustors.

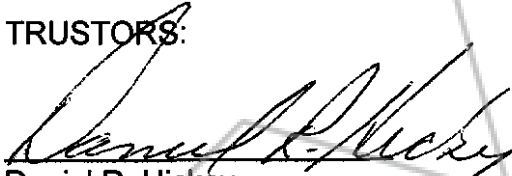
16. Trustee accepts this trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law, reserving, however, unto the Trustee, the right to resign from the duties and obligations imposed herein whenever Trustee, in its sole discretion, deems such resignation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

17. 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 note secured hereby. The term "Trustor" includes the term "Grantor."



IN WITNESS WHEREOF, Trustees have executed this instrument as of the day and year first above written.

TRUSTORS:

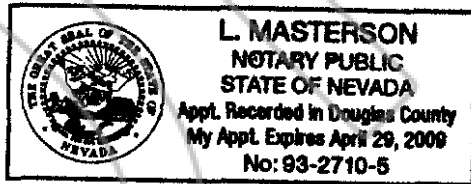

Daniel R. Hickey


Laurel C. Hickey

STATE OF NEVADA)
COUNTY OF Douglas) ss


This instrument was acknowledged before me on 7-11, 2005, by Daniel R. Hickey.

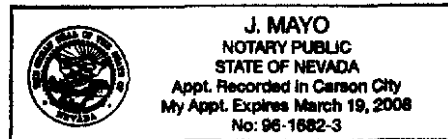

Notary Public



STATE OF NEVADA)
COUNTY OF Douglas) ss

This instrument was acknowledged before me on July 11, 2005, by Laurel C. Hickey.


Notary Public

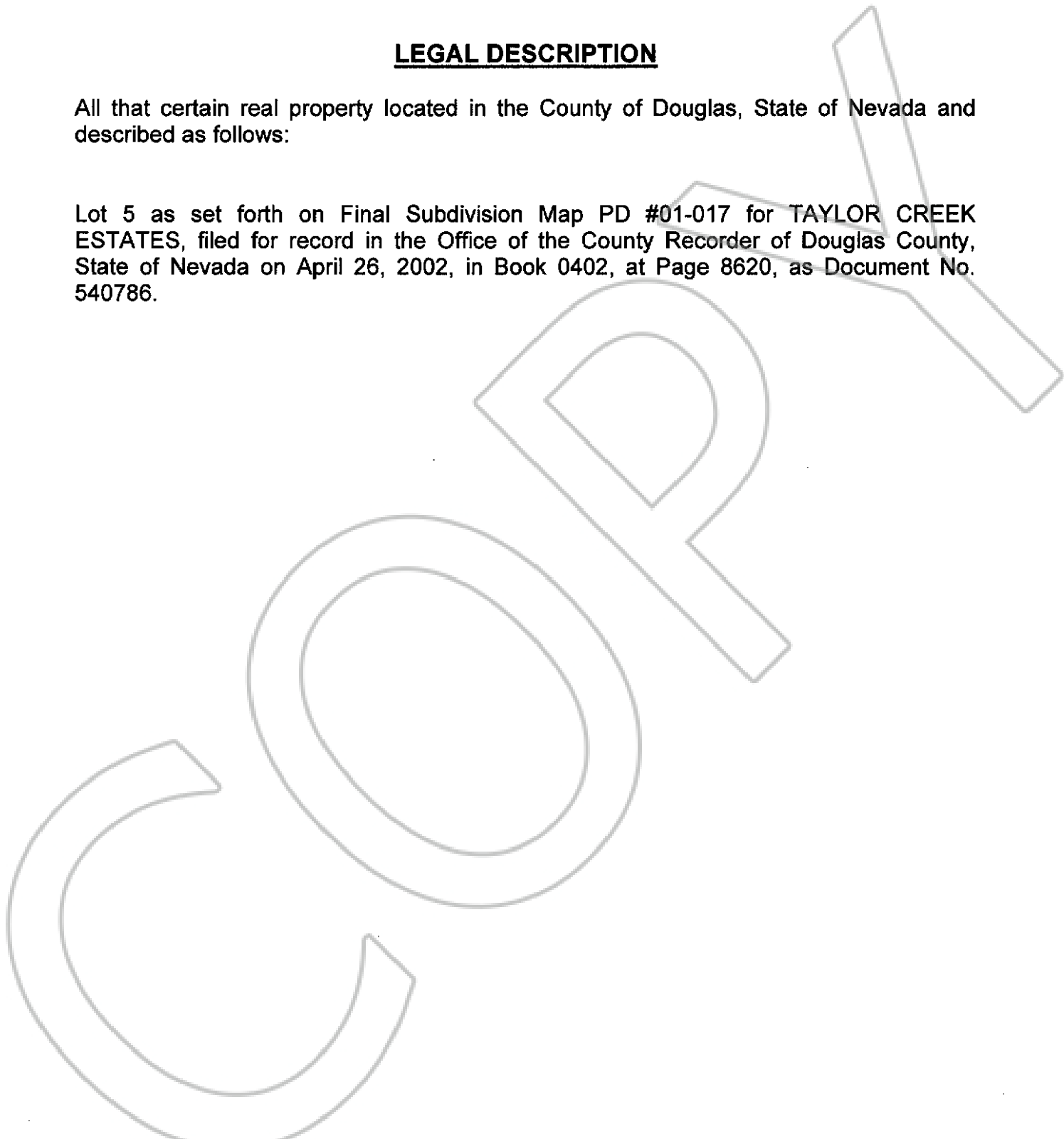


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LEGAL DESCRIPTION

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

Lot 5 as set forth on Final Subdivision Map PD #01-017 for TAYLOR CREEK ESTATES, filed for record in the Office of the County Recorder of Douglas County, State of Nevada on April 26, 2002, in Book 0402, at Page 8620, as Document No. 540786.



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EXHIBIT "A"

