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OFFICIAL RECORD

Requested By:

C FREDERICK GEILFUSS II

✓ When Recorded, Mail to:
C. Frederick Geilfuss *Hugh D Halloran*
Foley & Lardner LLP
777 East Wisconsin Avenue
Milwaukee, Wisconsin 53202-5367

Douglas County - NV
Werner Christen - Recorder
Page: 1 Of 9 Fee: 22.00
BK-1205 PG-11527 RPTT: 0.00



Assessor's Parcel Number 148-34-211-034
148-34-211-034

DEED OF TRUST

THIS DEED OF TRUST ("Deed of Trust") is made and effective as of the 31st day of August, 2005, between MARY STUART BALDING, an unmarried woman, as grantor ("Grantor"); and STEWART TITLE OF DOUGLAS COUNTY, a Nevada corporation, with an address of 1650 North Lucerne, Minden, Nevada 89423, as trustee ("Trustee"); for the benefit of JANET C. BALDING 1989 TRUST, a Trust duly organized under the laws of the State of Wisconsin, at c/o Foley & Lardner LLP, 777 East Wisconsin Avenue, Milwaukee, Wisconsin 53202, Attn: C. Frederick Geilfuss, as beneficiary ("Beneficiary").

WITNESSETH:

WHEREAS, Grantor has executed in favor of Beneficiary a Mortgage Note of even date herewith (the "Note") in an original principal amount equal to One Hundred Fifty Thousand and no/100ths Dollars (\$150,000.00);

WHEREAS, as security for the Note, Grantor has agreed to execute this Deed of Trust in order to encumber certain property owned or controlled by Grantor in Douglas County, Nevada, as more particularly hereinafter described; and

WHEREAS, the term "Obligations" is used herein in its most comprehensive sense and includes (without limitation) all debts, obligations and liabilities under or pursuant to this Deed of Trust and the Note and any agreements associated therewith.

NOW, THEREFORE, THIS DEED OF TRUST WITNESSETH:

GRANTING CLAUSE

That, in order to secure the payment of the Obligations and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Grantor, Grantor by these presents does hereby grant, bargain, sell, alienate, release, remise, transfer, mortgage, convey, pledge and warrant unto Trustee in trust forever, together with the power of sale, all and singular the following described properties (hereinafter collectively referred to as the "Premises"), to-wit:

The real property located in Douglas County, Nevada described as follows:

LOT 29, AS SHOWN ON THE MAP OF LAKERIDGE ESTATES NO. 2, FILED IN THE OFFICE OF THE COUNTY RECORDER OF DOUGLAS COUNTY, NEVADA, ON JUNE 13, 1957, AS DOCUMENT NO. 12301, OFFICIAL RECORDS OF DOUGLAS COUNTY, NEVADA, PURSUANT TO NRS SECTION 111.312, THE ABOVE LEGAL DESCRIPTION IS THE SAME PROPERTY CONVEYED IN DEED RECORDED 10/27/1997 AS INSTRUMENT NO. 0424895 IN BOOK 1097 PAGE 5190.

Address of Property: 213 Cedar Ridge Drive, Zephyr Cove, NV 89448 and parcel number 1418-34-211-034, together with all rights, easements, appurtenances, mineral rights, oil and gas rights, all water and riparian rights, ditches and water stock and all existing and future improvements, structures, fixtures and replacements that may now, or at any time in future be part of the real estate described above (all referred to as the "Premises").

TO HAVE AND TO HOLD in trust all of the Premises hereby conveyed and assigned, or intended or entitled so to be, for the benefit of Beneficiary, its successors and assigns, forever.

GRANTOR HEREBY REPRESENTS AND WARRANTS TO AND COVENANTS WITH BENEFICIARY, its successors and assigns, that:

- (1) Grantor has the right, full power and due and lawful authority to execute and deliver to Trustee and/or Beneficiary, as applicable, the Note and this Deed of Trust; and
- (2) The lien and security interest created by this Deed of Trust are and will be kept a lien and security interest upon the Premises, and Grantor will forever warrant and defend the same to Beneficiary, its successors and assigns, against any and all claims and demands whatever.

THIS DEED OF TRUST FURTHER WITNESSETH:

That Grantor has covenanted and agreed and does hereby covenant and agree with Beneficiary, its successors and assigns, as follows, to-wit:

ARTICLE I

COVENANTS OF GRANTOR

1. Covenants. So long as the any of the Obligations remain outstanding or unpaid, Grantor shall or cause others to:

- (a) Taxes. Pay and discharge, or cause to be paid and discharged, from time to time when the same shall become due, all taxes, assessments, and governmental charges of every character imposed upon the Premises, this Deed of Trust, the

Obligations or the interest of the Beneficiary in the Premises. Grantor shall not consent to the creation of a special taxing district without the prior written consent of Beneficiary. Grantor shall also pay or cause to be paid all sales taxes due and payable as part of its operations on the Premises.

(b) Maintenance. Maintain, preserve, and keep the Premises and all parts thereof, in good repair, working order, and condition and, from time to time, make all needful and proper repairs, renewals, and replacements thereto so as at all times to maintain the efficiency thereof.

(c) Waste. Abstain from and not suffer the commission of waste on the Premises, and keep the buildings, improvements, fixtures, equipment, machinery, and other property subject to this Deed of Trust in good repair and make replacements thereto as and when the same become necessary.

(d) Liens. Keep the Premises free from all mortgages, liens and encumbrances other than Permitted Encumbrances approved by Beneficiary, and perform all of Grantor's obligations and duties under any deed of trust or security agreement creating a lien against any portion of the Premises and any obligation to pay secured by such a deed of trust or security agreement.

(e) Laws. Comply with all material laws, regulations and ordinances affecting the Premises.

(f) Dispositions. Not, without in each instance receiving the prior written consent of Beneficiary, which consent may be withheld in Beneficiary's sole discretion, sell, transfer, convey or otherwise dispose of or encumber the Premises, or any material part thereof or interest therein, in any manner, whether voluntarily or involuntarily, by operation of law or otherwise. Beneficiary may deal with any transferee as to his, her or its interest in the same manner as with Grantor, without in any way discharging the liability of Grantor hereunder or under the Obligations.

(g) Further Instruments. Execute, acknowledge, deliver, and cause to be recorded or filed, in the manner and place required by any present or future law, any instrument that may be requested by Beneficiary to publish notice or protect, perfect, preserve, continue, extend, or maintain this Deed of Trust.

2. Condemnation. If all or any part of the Premises is damaged, taken, or acquired, either temporarily or permanently, in any condemnation proceeding, by exercise of the right of eminent domain, by sale in lieu of condemnation or eminent domain, or by the alteration of the grade of any street affecting the said Premises, then the amount of any award or other payment for such taking or damages made in consideration thereof, to the extent of the full amount of the then remaining unpaid indebtedness secured hereby, is hereby assigned to Beneficiary, who is empowered to collect and receive the same and to give proper receipts therefor in the name of Grantor, and the same shall be paid forthwith to Beneficiary and shall be applied to the Obligations in the inverse order of their maturities or (at Beneficiary's option) to restoration of the Premises.



ARTICLE II

EVENTS OF DEFAULT; REMEDIES

1. Events of Default; Acceleration. Upon the occurrence of any one or more of the following events (each an "Event of Default"): (i) the occurrence of any event of default under this Deed of Trust; (ii) any of the Obligations is not paid or performed when due (with respect to monetary obligations by acceleration or otherwise); (iii) Grantor fails to timely perform or observe any of Grantor's covenants in this Deed of Trust or any of Grantor's representations or warranties herein proves to have been materially false or misleading when made; then and in any such case, the Obligations shall become immediately due and payable and Beneficiary shall have all of the remedies for default provided by this Deed of Trust and the Security Documents, as well as applicable law, including the power of sale.

2. Power of Sale. Upon the occurrence of an Event of Default, Beneficiary, without further notice or demand, may declare all monetary sums secured hereby immediately due and payable by delivery to Grantor of written notice thereof, setting forth the nature of such default, which notice may contain an election to cause the Premises to be sold under this Deed of Trust. If Beneficiary elects to cause the sale of the Premises, Beneficiary shall deposit with Trustee the original Note, this Deed of Trust and all documents evidencing expenditures secured hereby. Trustee shall record and give such notices of breach and election to sell by trustee's sale in the manner required by law, and after the lapse of time and the giving of notice such as then may be required by law, Trustee, under the power of sale contained herein, shall sell the Premises at the time and place fixed by it in said notice of trustee's sale, either as a whole or in separate parcels, and in such order as Beneficiary may determine, subject to any statutory or common law right which Grantor may have to direct such order, at public auction to the highest bidder for cash in lawful money of the United States, payable at the time of sale, provided that Beneficiary, in lieu of a cash bid, may bid on credit all or part of the indebtedness hereby secured. Trustee may postpone sale of all or any portion of the Premises by public declaration at such time and place of sale, and from time to time thereafter may postpone such sale by public declaration at the time and place fixed by the preceding postponement. Trustee shall deliver to the purchaser at such sale its deed conveying the Premises 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 Trustee or Beneficiary, may purchase at such sale. After deducting all costs, fees and expenses of Trustee incurred in connection with such sale, including costs to insure or obtain evidence of title in connection with such 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 the rate set forth in the Note; all other sums secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

3. Notices. Trustee is not obligated to notify any party hereto of any pending sale under any other deed of trust or any action or proceeding in which Grantor, Beneficiary, or Trustee shall be a party unless brought by Trustee and relating to the Premises or unless otherwise required by law.

4. Foreclosure Permitted. In lieu of sale pursuant to the power of sale conferred hereby, at the option of Beneficiary this Deed of Trust may be foreclosed in the same manner provided for by law for the foreclosure of mortgages on real property. Beneficiary shall also have all other rights and remedies, available to it hereunder, and otherwise available at law or in equity. All rights and remedies shall be cumulative.

5. Payment of Costs and Expenses. Grantor hereby agrees that if Beneficiary invokes the power of sale or commences any proceeding to foreclose this Deed of Trust or any other suit in equity, action at law, or other appropriate proceeding to enforce its rights under this Deed of Trust, or is made a party to any suit or proceeding by reason of the interest of the Beneficiary in the Premises, then Grantor shall pay to Beneficiary all reasonable costs and expenses (including attorneys' fees and Foreclosure Expenses (as hereinafter defined)) paid or incurred by Beneficiary in connection therewith, which costs and expenses shall be Obligations secured hereby. If this Deed of Trust is foreclosed by Trustee, attorneys' fees and Foreclosure Expenses shall be allowed by Trustee as a part of the cost of foreclosure. In the event the foreclosure proceedings may be made through court proceedings, attorneys' fees and Foreclosure Expenses shall be assessed by the court as a part of the cost of such foreclosure proceedings. It is specifically understood that the term "attorneys' fees" shall include costs of an attorney in the employment of Beneficiary and fees for services performed by nonlawyers, for example, legal assistants and paralegals, and shall include costs and other disbursements regularly associated with the provision of legal services. In the event of foreclosure of this Deed of Trust, whether through Trustee or through the court, there shall be allowed and included as additional indebtedness all expenses and costs (which may be estimated as to items to be expended after foreclosure sale or entry of the decree) which may be paid or incurred by or on behalf of Beneficiary for appraisers' fees, fees for environmental reports or assessments, surveys, outlays for documentary and expert evidence, stenographers' charges, publication costs and costs of procuring all such abstracts of title, title searches and examinations, title insurance policies and similar assurances with respect to title as Beneficiary may deem necessary either to file such foreclosure, prosecute such suit or to evidence the true condition of the title to or the value of the Premises, and such other amounts allowable under applicable law (collectively, the "Foreclosure Expenses").

6. Purchase by Beneficiary. In the case of any sale of the Premises pursuant to any judgment or decree of any court or at public auction or otherwise in connection with the enforcement of any of the terms of this Deed of Trust, Beneficiary, its successors or assigns, may become the purchaser, and for the purpose of making settlement for or payment of the purchase price, shall be entitled to deliver over and use the Obligations, in order that there may be credited as paid on the purchase price the sum then due under the Obligations.

7. Possession by Beneficiary/Receiver. Upon the happening of an Event of Default, then and in every such case Beneficiary, either personally or by its agents or attorneys, or through a duly appointed receiver, may enter into and upon and take possession of all or any part of the Premises, and each and every part thereof, and may exclude Grantor and its agents wholly therefrom; and, having and holding the same, may use, operate, manage, maintain, repair, lease, improve and control the Premises and conduct the business thereof; and Beneficiary, personally, or by its agents or attorneys, or through a duly appointed receiver, shall thereafter be entitled to collect and receive all earnings, revenues, rents, issues, profits, proceeds, royalties, rights,



benefits, awards, payments and income of, from, and relating to the Premises and every part thereof and any business conducted by Grantor or any other party thereon, whether or not Beneficiary or a receiver is then in possession of the Premises. Beneficiary shall be entitled to the ex parte appointment of a receiver as a matter of right and without proof of any grounds for appointment other than a default hereunder and without notice to Grantor or to anyone claiming under Grantor, and without regard to statutory grounds therefor, the solvency or insolvency of Grantor or the then owner of the Premises, or the condition of the Premises, and whether or not the apparent value of the Premises exceeds the indebtedness secured hereby, and any receiver appointed may serve without bond. Employment by Beneficiary shall not disqualify a person from serving as a receiver.

The exercise of any right under this Article shall not be deemed an election of remedies or preclude the exercise of any other right or remedy. Beneficiary or the receiver shall be vested with the fullest powers permitted under applicable law.

8. Remedies Cumulative. No remedy herein conferred upon or otherwise available to Beneficiary is intended to be or shall be construed to be exclusive of any other remedy or remedies, but each and every such right and remedy shall be cumulative and shall be in addition to every other right and remedy given hereunder and now or hereafter existing at law, in equity, or by statute. No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or an acquiescence therein; nor shall the giving, taking, or enforcement of any other or additional security, collateral, or guaranty for the payment of the indebtedness secured under this Deed of Trust operate to prejudice, waive, or affect the security of this Deed of Trust or any rights, powers, or remedies hereunder; nor shall Beneficiary be required to first look to, enforce, or exhaust, any such other or additional security, collateral, or guaranty.

9. Indulgences by Beneficiary. In the event that Beneficiary (a) grants any extension of time or forbearance with respect to the payment of any indebtedness secured by this Deed of Trust; (b) takes other or additional security for the payment thereof; (c) waives or fails to exercise any right granted herein or under the Note; (d) grants any release, with or without consideration, of the whole or any part of the security held for the payment of the debts secured hereby or the release of any person liable for payment of such debts; (e) amends or modifies, in any respect, any of the terms and provisions hereof; then and in any such event, such act or omission to act shall not release Grantor or any co-maker, surety, or guarantor, nor preclude Beneficiary from exercising any right, power, or privilege herein granted or intended to be granted in the event of any other default or Event of Default then made or any subsequent default or Event of Default, nor in any way impair or affect the lien or priority of this Deed of Trust.

10. Abandonment of Proceedings. In case Beneficiary shall have proceeded to enforce any right under this Deed of Trust by foreclosure, sale, entry, or otherwise, and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to Beneficiary, then, and in every such case, Grantor and Beneficiary shall be restored to their former positions and rights hereunder with respect to the Premises subject to the lien hereof.



ARTICLE III

MISCELLANEOUS

1. Relationship of Parties. The relationship between Beneficiary and Grantor is solely that of a lender and borrower, and nothing contained herein shall in any manner be construed as constituting Beneficiary a partner or joint venturer of Grantor or as creating any other relationship between Beneficiary and Grantor other than that of lender and borrower.

2. Severability. If any term, covenant, or condition of this Deed of Trust or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, then the remainder of this Deed of Trust and the application of such term, covenant, or condition to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each and every term, covenant, and condition of this Deed of Trust shall be valid and be enforced to the fullest extent permitted by applicable law.

3. Subrogation. Beneficiary shall be subrogated to all liens, although released of record, which are paid out of the proceeds of the Note or other indebtedness secured by this Deed of Trust.

4. Successors and Assigns. All of the covenants and conditions hereof shall run with the land, shall be binding upon the heirs, successors and assigns of Grantor, and shall inure to the benefit of the heirs, successors and assigns of Beneficiary. This Deed of Trust is made and entered into for the sole protection and benefit of Beneficiary and Grantor and their respective heirs, successors and assigns (but in the case of assigns of Grantor, only to the extent permitted hereunder), and no other person or persons shall have any right to action hereon or rights to the loan funds at any time.

5. No Excess Interest. If any charge in the nature of interest provided for herein or in any instrument evidencing indebtedness secured hereby shall contravene applicable usury limitations, then Grantor shall pay only such interest as would legally be permitted. If, for any reason, interest in excess of the amount as limited in the foregoing sentence shall have been paid, whether by reason of acceleration or otherwise, then, in that event, any such excess shall constitute and be treated as a payment of principal and shall operate to reduce such principal by the amount of such excess, or if in excess of the then principal indebtedness, then such excess shall be refunded.

6. Waivers by Grantor. To the fullest extent permitted by applicable law, Grantor, for itself, its successors and assigns, and each and every person with any interest in the Premises, or any part thereof, whether now owned or hereafter acquired, hereby waives notice of maturity, demand, presentment for payment, diligence in collection, notice of non-payment and protest, and any and all other notices and defenses, whatsoever, with respect to any and all of the indebtedness hereby secured; hereby consents and agrees to any extension of time, whether one or more, for the payment thereof and/or to any and all renewals thereof; and hereby consents and agrees that Beneficiary may amend the terms thereof, may release all or any part of the security for the payment thereof, and may release any party liable for the payment thereof, without, in



any event, affecting the terms or effect of this Deed of Trust or the obligations or liabilities hereunder of Grantor, its successors or assigns, or any person with any interest in the Premises, or any part thereof, whether now owned or hereafter acquired.

7. Waiver of Marshalling. Notwithstanding the existence of any other security interest in the Premises or any other property of Grantor held by Beneficiary or by any other party, Beneficiary shall have the right to determine the order in which any or all of the Premises and such other property of Grantor shall be subjected to the remedies provided herein or any other remedies Beneficiary may have. Beneficiary shall have the right to determine the order in which any or all portions of the Obligations are satisfied from the proceeds realized upon the exercise of the remedies herein or any other remedies which Beneficiary may exercise. Grantor, any party who consents to this instrument and any party who now or hereafter acquires a security interest in the Premises and who has actual or constructive notice hereof hereby waives to the fullest extent permitted by law any and all right to require the marshalling of assets in connection with the exercise of any of the remedies permitted by applicable law or provided herein.

8. Applicable Law. This Deed of Trust shall, in all respects, be governed by the internal laws of the State of Nevada.

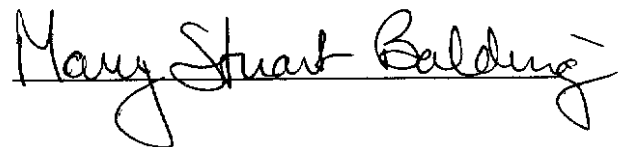
9. Right of Inspection. Beneficiary and its authorized agents, representatives, and employees shall have the right, at the option of Beneficiary, to enter into the Premises at all reasonable times for the purpose of inspecting the same and, at the option of Beneficiary, remedying any default or Event of Default hereunder on the part of Grantor, including, but not limited to, any failure on the part of Grantor to repair the Premises.

10. Amendment. Neither this Deed of Trust nor any term, covenant, or condition contained herein may be amended, modified, or terminated, except by an agreement in writing, signed by the party against whom enforcement of the amendment, modification, or termination is sought.

11. Construction. This Deed of Trust shall be construed without regard to any presumption or rule requiring construction against the party causing such instruments to be drafted. The headings and captions contained in this Deed of Trust are solely for convenience of reference and shall not affect its interpretation. All terms and words used in this Deed of Trust, whether singular or plural and regardless of the gender thereof, shall be deemed to include any other number and any other gender as the context may require.

IN WITNESS WHEREOF, Grantor has caused these presents, to be duly executed, sealed, and delivered as of the day and year first above written.

MARY STUART BALDING



STATE OF NEVADA)
) ss.
COUNTY OF DOUGLAS)

This instrument was acknowledged before me on 09/07/05, 2005, by Mary Stuart Balding.



Heather A. Roberts
Notary Public

My Commission Expires: 02/15/2009