

A. P. No. 1320-08-401-001  
Escrow No. 2295167-NMP

When recorded mail to:  
Diane Arlene Beaton  
P.O. Box 933  
Laguna Beach, CA 92652

Douglas County - NV  
Werner Christen - Recorder  
Page: 1 Of 6 Fee: 19.00  
BK-1206 PG- 8099 RPTT: 0.00



DEED OF TRUST  
WITH ASSIGNMENT OF RENTS

THIS DEED OF TRUST, made December 19, 2006,  
between GENE JACKSON, a married man, herein  
called "Trustor", whose address is: P.O. Box 453  
Genoa, NV 89411, FIRST AMERICAN TITLE  
COMPANY OF NEVADA, a Nevada corporation, herein called  
"Trustee", and DIANE ARLENE BEATON, Trustee of THE BEATON  
TRAIL TRUST created on December 20, 2005, herein called  
"Beneficiary", whose address is: P.O. Box 933  
Laguna Beach, CA 92652,

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: (1) Payment of the principal sum of \$300,000.00, according to the terms of a promissory note or notes of even date herewith made by Trustor, payable to order of Beneficiary, and all extensions or renewals thereof; (2) the performance of each agreement of Trustor incorporated herein by reference or contained herein; and (3) payment of such additional sums which may hereafter be loaned to Trustor 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. 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 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. 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 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 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. 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, of all other sums so secured or to declare default, as herein provided, for failure to so pay.

8. 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 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.

9. 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".

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 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.

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. 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.

14. 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.

15. 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".

16. If all or any portion of the property which is the subject of this Deed of Trust is conveyed from Trustor by deed, contract, execution, instrument or any other mode or means, voluntarily or involuntarily, not caused by the demise of Trustor, which will effect, in law or equity, a divestiture of Trustor's interest or title in said property, the note secured hereby shall accelerate and the entire balance of principal and interest, including guaranteed interest, then unpaid, plus any prepayment penalties, shall forthwith become due and payable without notice or demand.

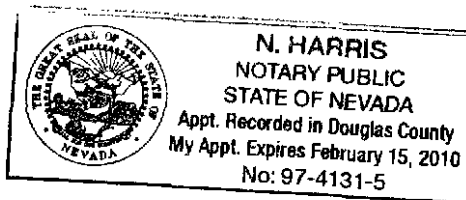
TRUSTOR:

  
Gene Jackson

STATE OF Nevada )  
 ) ss  
COUNTY OF Douglas )

This instrument was acknowledged before me on December 20<sup>th</sup>, 2006, by GENE JACKSON.

  
Notary Public



**EXHIBIT 'A'**

**A PARCEL OF LAND SITUATED IN THE SOUTH 1/2 OF THE SOUTHWEST 1/4 OF SECTION 8, TOWNSHIP 13 NORTH, RANGE 20 EAST, M.D.B.&M., DOUGLAS COUNTY, NEVADA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:**

**COMMENCING AT THE 1/4 CORNER COMMON TO SECTIONS 8 AND 17, SAID POINT BEING MARKED WITH A SPIKE SET FLUSH WITH THE PAVEMENT;**

**THENCE ALONG THE EAST LINE OF THE SOUTHWEST 1/4 OF SECTION 8 SAID LINE ALSO BEING THE CENTERLINE OF HEYBOURNE ROAD, NORTH 00°00'09" WEST 1,250.10 FEET TO A POINT; THENCE LEAVING SAID EAST LINE, SOUTH 89°59'51" WEST, 25.00 FEET TO THE POINT OF INTERSECTION OF THE SOUTHERLY RIGHT-OF-WAY LINE OF AIRPORT ROAD, AND WESTERLY RIGHT-OF-WAY LINE OF HEYBOURNE ROAD; THENCE ALONG THE SOUTHERLY RIGHT-OF-WAY LINE OF AIRPORT ROAD, SOUTH 89°46'14" WEST, 222.15 FEET TO THE TRUE POINT OF BEGINNING; THENCE LEAVING SAID SOUTHERLY RIGHT-OF-WAY LINE, SOUTH 00°00'09" EAST, 245.50 FEET TO A POINT; THENCE SOUTH 89°46'14" WEST, 183.00 FEET TO A POINT; THENCE NORTH 00°00'09" WEST, 245.50 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF AIRPORT ROAD; THENCE ALONG SAID SOUTHERLY LINE, NORTH 89°46'14" EAST, 183.00 FEET TO THE TRUE POINT OF BEGINNING.**

**REFERENCE IS MADE TO RECORD OF SURVEY TO SUPPORT A BOUNDARY LINE ADJUSTMENT FOR THAHELD TRUST, MILLER AND D' ATRI, FILED FOR RECORD JUNE 8, 1984, BOOK 684, PAGE 740, DOCUMENT NO. 101911 OFFICIAL RECORDS OF DOUGLAS COUNTY, NEVADA.**

**NOTE: THE ABOVE METES AND BOUNDS LEGAL DESCRIPTION APPEARED PREVIOUSLY IN THAT CERTAIN DOCUMENT RECORDED MARCH 31, 1999 IN BOOK 399, PAGE 7475 AS INSTRUMENT NO. 464655.**

