

Douglas County - NV  
Werner Christen - Recorder  
Page: 1 Of 7 Fee: 20.00  
BK-0407 PG- 912 RPTT: 0.00



**DEED OF TRUST**

THIS DEED OF TRUST, made this 31 day of March, 2007 among EUGENE CLEVELAND CANEPA, an unmarried man (hereinafter called GRANTOR or TRUSTOR), whose mailing address is 671 Lookout Road, Zephyr Cove, NV, and FIRST AMERICAN TITLE INSURANCE COMPANY (hereinafter called Trustee), and PMC FINANCIAL SERVICES GROUP, LLC (hereinafter called BENEFICIARY).

WITNESSETH: That WHEREAS Trustor has entered into, executed and delivered that certain Continuing Guaranty dated March 21, 2007 in favor of Beneficiary (such guaranty as to Trustor, as amended, modified or otherwise restated from time to time being the "Guaranty") regarding any and all indebtedness owing by French Quarter, Inc., a Nevada corporation, to Beneficiary arising from time to time, together with all other obligations of Trustor under such Guaranty, in each case, all as more fully set forth in the Guaranty;

NOW, THEREFORE, for the purpose of securing: (1) each agreement of the Trustor herein contained; (2) all obligations and indebtedness of Trustor under the Guaranty, all as set forth therein; (3) any money with interest thereon that may be advanced by or otherwise become due to Trustee or Beneficiary under the provisions hereof; and (4) payment of such additional sums as may be hereafter be advanced for the account of Trustor by Beneficiary with interest thereon (collectively, the "Secured Obligations"); all references herein to "note" or "notes" shall mean the Secured Obligations.

TRUSTOR irrevocably GRANTS AND TRANSFERS TO TRUSTEE, in TRUST WITH POWER OF SALE, all that property in Douglas County, Nevada as described on Exhibit A attached hereto.

ASSESSORS PARCEL NO. 1318-10-411-002.

TOGETHER WITH all appurtenances in which Trustee has any interest including water rights benefiting said realty whether represented by shares of a company or otherwise; and

TRUSTOR ALSO ASSIGNS to Beneficiary all rents, issues and profits of said realty, reserving the right to collect and use the same except during continuance of some default hereunder or under the Secured Obligations and during continuance of such default Trustor authorizes Beneficiary to collect and enforce the same by any lawful means in the name of any party hereto.

TO HAVE AND TO HOLD said property upon and subject to the trusts and agreements herein set forth and incorporated herein by reference. The following covenants Nos. 1,2,3,4,5,6,7,8 and 9 of

NRS 107.030 are hereby adopted and made a part of this Deed of Trust EXCEPT ONLY that the amounts agreed upon by the parties to this instrument with respect to covenants Nos. 2,4 and 7 incorporated by reference of such trusts and agreements is respectively as follows: Covenant No. 2 (in an amount acceptable to Beneficiary); Covenant No. 4 (10%), Covenant No. 7 (reasonable percentage). Such provisions so incorporated shall have the same force and effect as though specifically set forth and incorporated in this Deed of Trust.

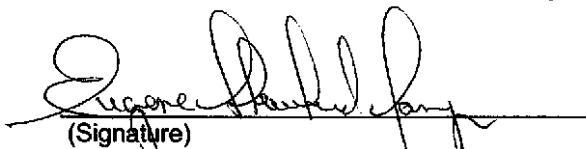
[Signature Page Follows—Remainder of this Page is Blank]

COPY

THE UNDERSIGNED TRUSTOR REQUESTS that a copy of any notice of default and any notice of sale hereunder be mailed to him at the address hereinbefore set forth.

IN WITNESS WHEREOF, Grantor has executed this instrument.

In Witness Whereof, I have hereunto set my hand/our hands this 30<sup>th</sup> day of March, 2007.



(Signature)

EUGENE CLEVELAND CANEPA, an unmarried man

(Print or type name here)

[Signature Page to Deed of Trust]

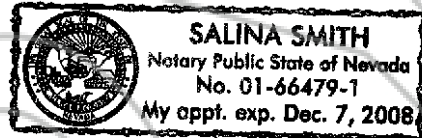
COOPER

STATE OF Nevada,  
COUNTY OF Clark ) SS.

On this 20<sup>th</sup> day of March, 2007 personally appeared before me, a Notary Public ~~Eugene Cleveland Canepa only~~  
personally known to me to be the person(s) whose name(s) is subscribed to the above instrument who acknowledged that he executed the instrument.

Witness my hand and official seal

Salina Smith  
(Notary Public)



(Notary Seal)

RECORDING REQUESTED BY AND MAIL TO

NAME  
ADDRESS  
CITY/ST/ZIP

Walter Mitchell, Levy, Small & Lallas  
815 Moraga Drive  
Los Angeles, CA 90049

IF APPLICABLE MAIL TAX STATEMENTS TO

NAME  
ADDRESS  
CITY/ST/ZIP

SPACE BELOW THIS LINE FOR RECORDERS USE ONLY

**RECORDER: DO NOT RECORD**

The following are the truths and agreements referred to and incorporated in the foregoing deed of trust

1. To properly care for and keep said property in good condition and repair, not to remove or demolish any building thereon, to complete in good and workmanlike manner any building which may be constructed thereon, and to pay when due all claims for labor performed and material furnished therefor, to comply with all laws ordinances and deregulations requiring any alterations improvements to be 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 law, 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 at use of said property, may be reasonably necessary, the specific enumerations herein not excluding the general.

2. The grantor agrees to pay and discharge all costs, fees and expenses of these Trusts, including cost of evidence of title and Trustee's fees in connection with sale, whether completed or not which amounts shall become due upon delivery to Trustee of Declaration of Default for Sale, as hereinafter provided.

3. The amount collected under any fire insurance policy shall be credited first to accrued interest next to expenditures hereunder, and any remainder upon the principal, and interest shall thereupon cease upon the amount so credited upon principal; provided, however, that at the option of the Beneficiary, the entire amount collected under the policies or any part thereof may be released to the Grantor, without liability upon the Trustee for such release.

4. The Grantor promises and agrees that if, during the existence of the Trust There be commenced or pending- any suit or action affecting said conveyed premises, or any part thereof, or if any adverse claim for against said premises, 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 any 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 effect as herein provided for disposition of proceeds of insurance.

6. Trustee shall be under no obligation to notify any party hereto of any pending sale hereunder or of action or proceeding of any kind with which Grantor, Beneficiary and/or Trustee shall be named as defendant unless brought by Trustee.

7. Acceptance by Beneficiary of any sum in payment of any indebtedness secured hereby, after the date when the same is due, shall not constitute a waiver of the right either to require prompt payment when due, of all other sums so secured or to declare default as herein provided for failure to pay.

8. Trustee may, at any (line, or from time to time, without liability therefore and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and the notes secured hereby for endorsement and without affecting the personal liability of any person for payment of the indebtedness secured hereby of the effect of this Deed of Trust upon the remainder of said property recovery of any rent of said property, consent in writing of making of any map or plot thereof, join in granting any endorsement thereon; or join in any extension agreement or subordination agreement connected herewith.

9. Upon receipt of written request from Beneficiary requiring that all sums secured hereby have been sold and upon surrender of this Deed and said not to Trustee for cancellation and retention and upon payment of fees the trustee shall recovery without warranty the property then held hereunder. The records in such reconveyance shall be conclusive proof of the truth thereof Be Grantor in such reconveyance may be described in general terms as the person or persons legally entitled thereto, and Trustee is authorized to retain a Deed of Trust and note.

(a) Should default be made by Grantor in payment of any indebtedness secured hereby And/or and in performance of any agreement herein, then Beneficiary may declare all sums secured hereby immediately due by delivery to Trustee of a written declaration of default and demand for sale, and of written notice of default and election to cause said property to be sold (which Trustee shall cause to be filed for record) and shall surrender to Trustee this Deed, the notes and all documents evidencing any expenditure secured hereby.

10. After three (3) months shall have elapsed following recorded on of any such notice of default Trustee shall sell said property at such time and of such place in the State of Nevada as the Trustee in its sole discretion shall deem best to accomplish the objects of these Trusts, having first given notice of such sale as then required by law. Place of sale may be either in the county in which the property to be sold, or any part thereof is situated, or at in office of the Trustee located in the State of Nevada.

(a) The Grantor, Pledgor and Mortgagor of the personal property herein pledged and/or mortgaged waives any and all other demands or notices as conditions precedent to sale of such personalty.

(b) Trustee may postpone sale of all, or any portion of said property by public announcement of the time fixed by said notice

of sale, and may thereafter postpone said sale from time to time by public announcement of the time previously arranged.  
(c) At the time of sale so fixed, Trustee may sell the property so advertised or any part thereof either as a whole or in separate parcels at its sole discretion, &I public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale, and shall deliver to such purchaser a deed conveying the property to be sold, but without covenant or warranty excess or implied. Grantor hereby agrees to surrender, immediately and without demand, possession of said prop" to such purchaser.

11. Trustee shall apply the proceeds of any such sale to payment of expenses of sale and all charges and expenses of Trustee of these Trusts, including cost of evidence of title and Trustee's fee in connection with sale all sums expended under the terms hereof, not then repaid, with accrued interest at the rate of ten percent (10%) per annum, all other sums then secured hereby, and the remainder if any to the person or persons legally entitled hereto.

12. The Beneficiary or assigns may at any time by instrument in writing appoint a successor or successors to the Trustee named herein or acting hereunder, which instrument executed and acknowledged by Beneficiary and recorded in the Office of the County Recorder of the County or Counties wherein said property is situated shall be conclusive proof of the proper substitution of such successor or trustee who shall have all the estate powers, duties and trusts in the premises vested in or conferred on the original Trustee. If there are more than one Trustee, either may act alone and execute the Trusts upon the request of the Beneficiary and his acts shall be deemed to be the acts of all Trustees, and the record in any conveyance executed by said sole Trustee of such requests shall be conclusive evidence thereof, and of the authority of such sole Trustee to act.

13. The Deed of Trust applies to insures to the benefit of and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors, and assigns.

14. Trustee accepts these trusts when this Deed of Trust duly executed and acknowledged, is made a public record as provided by law.

15. 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, and the term

Beneficiary shall include any future roles, including pledgers, of the role secured hereby.

16. If the Trustor shall sell, convey or alienate said property, or any part thereof, or any interest therein, or shall be divested of his title or any interest therein in any manner or way, whether voluntarily or involuntarily, without the written consent of the Beneficiary being first had and obtained, Beneficiary shall have the right, at its option, to declare the Secured Obligations, irrespective of the maturity date evidencing the same, immediately due and payable.

17. Where not inconsistent with the above, the following covenants No. 1, 2 (in an amount acceptable to Beneficiary), 3, 4 (10%), 5, 6, 7 (reasonable percentage), 8 and 9, as amended to date of recording of this Deed of Trust of NRS 017 030 are hereby adopted and made part of this Deed of Trust.

**RECORDER: DO NOT RECORD**

EXHIBIT A  
LEGAL DESCRIPTION

The land referred to in this Commitment is situated in the County of Douglas, State of Nevada, and is described as follows:

Lot 1, as shown on the map of Zephyr Heights, No. 6, filed for record in the office of the County Recorder on October 30, 1963, as document No. 23747.

Together with that portion of Lot 14 of "Zephyr Heights No. 6 Subdivision" as shown by map thereof filed October 30, 1963, Document No. 23747, Douglas County, Nevada Records, lying with Section 10, Township 13 North, Range 18 East, M.D.B.&M., Douglas County, Nevada and described as follows:

Beginning at the most Southerly corner of Lot 1 in "Zephyr Heights No. 6 Subdivision" as shown by map thereof filed October 30, 1963, Document No. 23747, Douglas County, Nevada Records, said point being on the Northerly right-of-way line of Lookout road (25.00 feet wide); thence along a curve concave to the Southeast with a radius of 30 feet, a central angle of 13 degrees 46' 43", and an arc length of 7.21 feet, the chord of said curve bears South 55 degrees 31' 09" West 7.20 feet; thence North 65 degrees 00' 00" West 78.96 feet; thence North 67 degrees 23' 00" East 8.39 feet; thence south 65 degrees 00' 00" East 76.96 feet to the point of beginning.

reference is hereby made to Lot Line Adjustment Map recorded May 22, 1992, in Book 592, Page 3972, as Document No. 279281, Official Records of Douglas County, Nevada.

Note: The above metes and bounds legal description appeared previously in that certain document recorded May 20, 1994 in Book 594, Page 3419 as Instrument No. 337890, in the Office of the County Recorder of Douglas County, Nevada.

*First American Title Insurance Company*

