

Assessor's Parcel Number 1318-26-513-002

WHEN RECORDED, MAIL TO:

Frederick C. Fiechter  
2200 Pacific Avenue, Ste. 8C  
San Francisco, CA 94115

Douglas County - NV  
Werner Christen - Recorder  
Page: 1 of 10 Fee: 23.00  
BK-0807 PG-01930 RPTT: 0.00



MAIL TAX STATEMENTS, IF ANY, TO:

Frederick C. Fiechter  
2200 Pacific Avenue, Ste. 8C  
San Francisco, CA 94115

Please complete Affirmation Statement below:

\_\_\_\_\_ I the undersigned hereby affirm that this document submitted for recording does not contain the social security number or any person or persons (Per NRS 239B.030)

-- or --

\_\_\_\_\_ I the undersigned hereby affirm that this document submitted for recording contains the social security number of a person or persons as required by law: \_\_\_\_\_  
(state specific law)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title  
#2322290

DEED OF TRUST, ASSIGNMENT OF RENTS, AND FIXTURE FILING

THIS DEED OF TRUST, ASSIGNMENT OF RENTS, AND FIXTURE FILING (this "Deed of Trust"), dated as of 5/10/, 2007, is made by JON JOSEPH CORDOVA and JANET RAE CORDOVA, individually, jointly, and severally, as Trustors (collectively, "Trustors"), whose mailing address is 626 Mia Court, Danville, CA 94526, to Ticor Title of Nevada, as Trustee ("Trustee"), whose mailing address is \* \_\_\_\_\_, for the benefit of FREDERICK C. FIECHTER, individually, as Beneficiary ("Beneficiary"), whose mailing address is 2200 Pacific Avenue, Suite 8C, San Francisco, CA 94115. Trustors are sometimes collectively referred to herein as "Buyers", "Borrowers" or "Makers". Beneficiary is sometimes referred to herein as "Seller" or "Holder". Trustors, Trustee, and Beneficiary are sometimes referred to herein as a "Party" and collectively as the "Parties".

\* 5441 Kietzke Lane  
Suite 100  
Reno, NV 89511

Trustors hereby irrevocably GRANT, BARGAIN, SELL, TRANSFER AND ASSIGN TO TRUSTEE IN TRUST, WITH POWER OF SALE, all that property in the Stateline, Douglas County, Nevada, more particularly described in Exhibit "A" attached hereto and by this reference incorporated herein, identified for certain purposes as Assessor's Parcel No. 1318-25-513-002, and having a street address of 162 Glen Court, Stateline, Nevada 89449 (the "Property").

INCLUDING (a) all appurtenances and easements and rights of way used in connection therewith or as a means of access thereto; (b) all buildings, improvements and fixtures now or hereafter placed thereon, it being understood and agreed that all classes of property attached or unattached used in connection therewith shall be deemed fixtures; and (c) any water rights, mineral rights, and/or any other rights that are appurtenant or pertain to the Property.

TOGETHER WITH the rents, issues, income and profits thereof or arising from any business or other activity conducted on or with respect to the Property or any part thereof SUBJECT, HOWEVER, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and retain such rents, issues, income and profits prior to any default hereunder.

FOR THE PURPOSE OF SECURING: (1) Payment of the indebtedness with interest thereon evidenced by the Promissory Note Secured by Deed of Trust executed by the Trustors as borrowers in favor of Beneficiary, of even date herewith (the "Note"), in the principal sum of One Million Two Hundred Forty Thousand and 00/100 Dollars (\$1,240,000.00), payable to Beneficiary, and all modifications, extensions or renewals thereof; and (2) Payment and performance of all present and future obligations of Borrowers under that certain Contract for the Sale and Purchase of Real Estate dated May 10, 2007 (the "Purchase and Sale Agreement") entered into by Trustors as buyers and Beneficiary as seller; and (3) Payment and performance of all present and future obligations of Borrowers under any other agreement between Beneficiary and Borrower or Trustor that recites that it is secured by the Property.

This Deed of Trust is governed by the provisions of Nevada Revised Statutes §§ 106.300 to 106.400, inclusive, and shall secure future loans and/or advances of principal pursuant to a loan agreement between the parties and/or the Note, provided, however, that the maximum amount of principal to be secured hereby shall not exceed at any one time the principal sum of \$1,240,000.00.

This document serves as a Fixture Filing under Section 104.9502(3) of the Nevada Uniform Commercial Code.

This Deed of Trust creates a first priority security interest in the Property, and, to the extent the Property is not real property, this Deed of Trust constitutes a security agreement from Trustors to Beneficiary under the Nevada Uniform Commercial Code. In addition to all of its other rights under this Deed of Trust and otherwise, Beneficiary shall have all of the rights of a secured party under the Nevada Uniform Commercial Code, as in effect from time to time, or

under the Uniform Commercial Code in force from time to time in any other state to the extent the same is applicable Law. This Deed of Trust shall be effective as a financing statement filed as a fixture filing with respect to all fixtures included within the Property and is to be filed for record in the real estate records of each county where any part of the Property (including such fixtures) is situated. This Deed of Trust shall also be effective as a financing statement with respect to any other Property as to which a security interest may be perfected by the filing of a financing statement and may be filed as such in any appropriate filing or recording office. The respective mailing addresses of Trustors and Beneficiary are set forth in the opening paragraph of this Deed of Trust. A carbon, photographic or other reproduction of this Deed of Trust or any other financing statement relating to this Deed of Trust shall be sufficient as a financing statement for any of the purposes referred to herein. Trustors hereby irrevocably authorize Beneficiary at any time and from time to time to file any initial financing statements, amendments thereto and continuation statements as authorized by applicable law, reasonably required by Beneficiary to establish or maintain the validity, perfection and priority of the security interests granted in this Deed of Trust.

TRUSTORS HEREBY COVENANT AND AGREE AS FOLLOWS:

1. To maintain the Property in good condition and repair; to comply with all laws, ordinances, regulations, covenants, conditions, and restrictions affecting the Property or requiring any alterations or improvements to be made thereon; not to commit, suffer or permit any waste thereof or any act upon the Property in violation of law or covenants, conditions or restrictions affecting the Property; and to do all other acts which from the character or use of the Property are reasonably necessary to protect and preserve the Property, the specific enumerations herein not excluding the general.

2. To provide and maintain in force, at all times, fire and such other types of insurance policies covering the Property as Beneficiary may from time to time require, each in an amount satisfactory to and with loss payable to Beneficiary.

3. To appear in and defend, and Beneficiary or Trustee, or both, shall have the right to appear in and defend, any action or proceeding purporting to affect the security hereof, or the rights, powers, duties or liabilities of Beneficiary or Trustee, or both, hereunder, or the payment of any funds in the possession of either Beneficiary or Trustee arising out of or in connection with this Deed of Trust, and any action to which either Beneficiary or Trustee, or both, is made a party by reason of its interest in the Property and, in connection therewith, Trustor shall pay all costs and expenses in any such action or proceeding and in any action by Trustee or Beneficiary, or both, to foreclose this Deed of Trust or to enforce any right of Trustee or Beneficiary hereunder, including, but not limited to, costs of evidence of title and reasonable attorneys' fees incurred by Trustee or Beneficiary, or both, any such action or proceeding, whether or not the same proceeds to judgment, and Beneficiary or Trustee shall have the right, but shall not be obligated, to apply any funds of Trustor in the possession of either Beneficiary or Trustee toward payment of said costs and expenses.

4. To pay (a) prior to delinquency, all taxes and assessments affecting the Property, all assessments upon water company stock and all rents, assessments and charges for water appurtenant to or used in connection with the Property; and (b) when due, all encumbrances, charges and liens, with interest, on the Property, or any part thereof, which appear to be prior or superior hereto.

5. If Trustor fails to make any payment or do any act as herein provided, Beneficiary or Trustee, but without obligation so to do and with or without notice to or demand upon Trustor without releasing Trustor from any obligation hereof, may (a) make or do the same in such manner and to such extent as either deems necessary to protect the security hereof, Beneficiary and Trustee being authorized to enter upon the Property, for such purpose; (b) pay, purchase, contest or compromise any encumbrance, charge, or lien which in the judgment of either appears to be superior hereto; and (c) in exercising any such power, incur and pay necessary expenses, including reasonable attorneys' fees.

6. Any award of damages made in connection with the condemnation for public use of or injury to the Property or any part thereof is hereby assigned and shall be paid to Beneficiary, who may apply or release to Trustor any monies received by it, and Trustor will execute such further assignments of any such award as Beneficiary or Trustee requires.

7. At any time or from time to time, without liability therefore and with or without notice, upon written request of Beneficiary and presentation of this Deed of Trust and the Note for endorsement, and without affecting the liability of any person for payment of the indebtedness secured hereby, or the effect of this Deed of Trust upon the remainder of the Property for the full amount of the indebtedness then or thereafter secured hereby, or the rights or powers of Beneficiary or Trustee with respect to the remainder of the Property, Trustee may reconvey any part of the Property, consent to the making of any map or plot thereof, join in granting any easement thereon, or join in any extension agreement, or any agreement subordinating the lien or charge hereof.

8. Upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed of Trust and the Note to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey the Property without warranty. The recitals in such reconveyance 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." Five years after issuance of such full reconveyance, Trustee may destroy the Note and this Deed of Trust. Such request and reconveyance shall operate as a reassignment of the rents, issues and profits hereinabove assigned to Trustee.

9. If default is made in the payment of any indebtedness or in the performance of any agreement secured hereby, or if either Trustor breaches or defaults under any obligation or agreement set forth in this Deed of Trust (each, an "Event of Default") Beneficiary, with or without notice to Trustor, may declare all sums secured hereby immediately due and payable by instituting suit for the recovery thereof or for the foreclosure of this Deed of Trust or by

delivering to Trustee a written declaration of default and demand for sale, and written notice of default and election to cause the Property to be sold, which notice Trustee shall cause to be filed for record. If such declaration is delivered to Trustee, Beneficiary shall also deposit with Trustee this Deed of Trust, the Note and all documents evidencing expenditures secured hereby.

10. After the time then required by law has elapsed after recordation of such notice of default, and notice of sale having been given as then required by law, Trustee, with or without demand on Trustor, shall sell the Property at the time and place fixed in the notice of sale, either as a whole or in separate parcels and in such order as Trustee determines, at public auction, to the highest bidder, for cash in lawful money of the United States, payable at the time of sale. Trustee may postpone from time to time sale of all or any portion of the Property by public announcement at the time and place of sale originally fixed or fixed at the last preceding postponed time. Trustee shall deliver to the purchaser its deed conveying the Property sold, but without any covenant or warranty, express or implied. The recitals in such deed shall be conclusive proof of the truthfulness thereof. Either Trustor, Trustee, Beneficiary Borrower, or any other person may purchase at the sale.

11. After deducting all costs, fees and expenses of Trustee and of this trust, including the cost of evidence of title and reasonable attorneys' fees in connection with such sale, Trustee shall apply the proceeds of the sale to payment of: (a) all sums expended under the terms hereof and not theretofore repaid, with interest from date of expenditure at the nondefault rate of interest specified in the Note, and (b) all other sums then secured hereby in such order as Beneficiary, in the exercise of its sole discretion, directs. The remainder, if any, shall be paid to the person or persons legally entitled thereto.

12. Before any such sale, Beneficiary may rescind the notice of default and election to cause the Property to be sold by delivering to Trustee a written notice of rescission, which notice, when recorded, shall cancel any prior declaration of default, demand for sale, and acceleration of maturity. The exercise of such right of rescission shall not constitute a waiver of any default then existing or subsequently occurring or impair the right of Beneficiary to deliver to Trustee other declarations of default and demands for sale or notices of default and of election to cause the Property to be sold, or otherwise affect any provision of the Note or of this Deed of Trust or any of the rights or remedies of Beneficiary or Trustee hereunder.

13. Trustor hereby sells, assigns, transfers, sets over and delivers to Beneficiary all of Trustor's right, title and interest in and to any and all agreements, contracts, reports, surveys, plans, drawings and governmental approvals whatsoever pertaining to the operation of the Property or to the construction of the improvements thereon, as the same may be amended or otherwise modified from time to time. Trustor does further irrevocably and absolutely sell, assign, transfer, set over and deliver unto Beneficiary the leases concerning the Property, together with the immediate and continuing right to collect and receive all of the rents, income, receipts, revenues, issues and profits now due or which may become due or to which Trustor may now or shall hereafter (including the period of redemption, if any) become entitled or may demand or claim, arising or issuing from or out of said leases or from deficiency rents and

liquidated damages following default, or with respect to any business or other activity conducted on or with respect to the Property or any part thereof, and all proceeds payable under any policy of insurance covering loss of rents or other income from the Property, together with any and all rights and claims of any kind that Trustor may have against lessees under said leases or any subtenants or occupants of the Property, or any part thereof.

14. As additional security, Trustor hereby transfers and assigns to Beneficiary, effective upon any default in the payment of any indebtedness or the performance of any agreement secured hereby, the rents, issues, income and profits of or arising from any business or other activity conducted on or with respect to the Property or any part thereof, reserving to Trustor the right, prior to any such default, to collect and retain such rents, issues, income and profits as but not before they become due and payable. Said assignment to Beneficiary shall be prior and superior to the assignment of said rents, issues, income and profits to Trustor hereinabove set forth and, upon any such default, shall be absolute, not only as to amounts accruing thereafter but also as to amounts then accrued and unpaid, and Trustor's right to collect such rents, issues, income and profits shall thereupon cease. In the event of default, Beneficiary may, at any time, with or without notice and without regard to the adequacy of its security for the indebtedness secured hereby, either in person or by an agent or by a receiver appointed by the court, (a) enter upon and take possession of the Property, or any part thereof, and manage and control it in Beneficiary's discretion; and (b) with or without taking possession, sue or otherwise collect such rents, issues and profits, whether past due or coming due thereafter, and apply the same, less costs and expenses of operation and collection, including reasonable attorneys' fees, upon any obligation secured hereby and in such order as Beneficiary determines. None of the aforesaid acts shall cure or waive any default or notice of default hereunder or invalidate any acts done pursuant to any such notice. Beneficiary shall not be required to act diligently in the care or management of the Property or in collecting any such rents, issues and profits, and shall be accountable only for sums actually received.

15. Without affecting the liability of Trustor or of any other party now or hereafter bound by the terms hereof for any obligation secured hereby, Beneficiary may, in such manner, upon such terms and at such times as it deems best and without notice or demand, extend or change the time or manner for the payment of any indebtedness or the performance of any agreement secured hereby, increase or reduce the rate of interest on any such indebtedness, release any person now or hereafter liable for the payment of any such indebtedness or the performance of any such agreement, accept additional or substituted security therefore and alter, substitute, release or subordinate any such security.

16. No remedy hereby given to Beneficiary or to Trustee is exclusive of any other remedy hereunder or under any present or future law.

17. If default is made in payment of any indebtedness or in the performance of any agreement secured hereby and if any such indebtedness or agreement is secured at any time by any other instrument or in any other way, Beneficiary shall not be obligated to resort to any such security in any particular order, or at all, and the exercise by Beneficiary of any right or remedy

with respect to any other security shall not be a waiver of or limitation upon the right of Beneficiary to exercise, at any time or from time to time thereafter, any right or remedy with respect to this Deed of Trust.

18. This Deed of Trust applies to, inures to the benefit of, and binds, Trustor, Trustee and Beneficiary, their heirs, legatees, devisees, administrators, executors, successors and assigns. In this Deed of Trust, whenever the context so requires, the singular number includes the plural.

19. Trustee accepts this trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of any pending sale under any other deed of trust or of any action or proceeding in which Trustor, Beneficiary or Trustee is a party unless brought by Trustee.

20. Covenant No. 1 through Covenant No. 9 inclusive, of NRS 107.030, to the extent not inconsistent with any of the terms and provisions set forth in this Deed of Trust, are hereby adopted and made a part of this Deed of Trust as if fully set forth herein.

21. This Deed of Trust shall constitute a request by Trustor for a notice of default and election to sell pursuant to NRS 107.090.


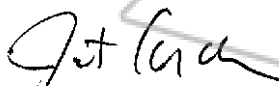
22. Without limiting any other provision contained herein, Trustor agrees to pay all costs of Beneficiary or Trustee incurred in connection with the enforcement of this Deed of Trust, any note evidencing the indebtedness secured hereby, or any other agreement or instrument executed in connection with this Deed of Trust and the transactions contemplated hereby, including, without limitation, all attorneys' fees whether or not suit is commenced, and including specifically fees incurred in connection with any appellate, bankruptcy, deficiency or any other litigation proceedings, all of which sums shall be secured hereby.

23. This Deed of Trust and any other note, agreement or instrument executed or delivered in connection herewith, shall be governed by and construed in accordance with the laws of the State of Nevada.

24. Notwithstanding any other provision of this Deed of Trust, Trustors shall not permit any of the Property to become subject to any encumbrance other than this Deed of Trust and any other encumbrance for which Trustors obtained Beneficiary's prior written approval.

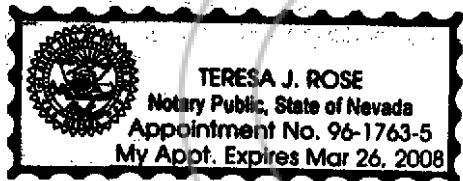
25. Notwithstanding any other provision of this Deed of Trust, Trustors shall not transfer or convey, or contract to transfer or convey, all or any part of the Property or any legal or beneficial interest therein.


IN WITNESS WHEREOF, Trustors hereby execute this Deed of Trust as of the date first above-written.

 JON JOSEPH CORDOVA 626 Mia Court Danville, CA 94526	 JANET RAE CORDOVA 626 Mia Court Danville, CA 94526
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STATE OF Nevada )  
 ) ss:  
COUNTY OF Douglas )

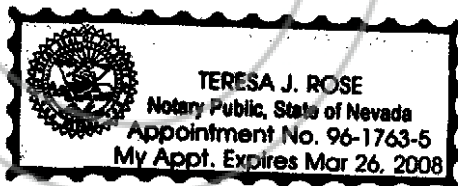
This Deed of Trust, Assignment of Rents, and Fixture Filing was acknowledge before me, a Notary Public, on May 10, 2007, by JON JOSEPH CORDOVA, known to me (or proven to me) to be the person who executed the aforementioned document.




  
NOTARY PUBLIC  
My commission expires: 3-26-08

STATE OF Nevada )  
 ) ss:  
COUNTY OF Douglas )

This Deed of Trust, Assignment of Rents, and Fixture Filing was acknowledge before me, a Notary Public, on May 10, 2007, by JANET RAE CORDOVA, known to me (or proven to me) to be the person who executed the aforementioned document.



  
NOTARY PUBLIC  
My commission expires: 3-26-08



**EXHIBIT "A"**

**Legal Description of Property**

**[attach legal description before recording]**

COPY

**EXHIBIT 'A'**

**LOT 3, AND AN UNDIVIDED 1/8TH INTEREST IN AND TO LOT 9 AS SHOWN ON THE MAP OF KINGSBURY GLEN SUBDIVISION, FILED IN THE OFFICE OF THE RECORDER OF DOUGLAS COUNTY, NEVADA ON NOVEMBER 21, 1977, BOOK 1177, PAGE 1345, AS DOCUMENT NO. 15253, OFFICIAL RECORDS.**

**A.P.N. 1318-26-513-002**