

A. P. No. 1320-33-816-047
Escrow No. 2365730-MK

When recorded mail to:

EVERGREEN NOTE SERVICING
295 HOLCOMB AVE #3
RENO, NV 89502



DEED OF TRUST
WITH ASSIGNMENT OF RENTS

THIS DEED OF TRUST, made OCTOBER 15, 2008, between

SCOTT ANDREW JOHNSTONE, Trustee of the Scott Andrew Johnstone Separate property Trust

TRUST, Dated 10-29, 2008, herein called "Trustor", whose address is: 3606

Canter Lane, Acton, California 93510, FIRST AMERICAN TITLE COMPANY OF

NEVADA, a Nevada Corporation, herein called "Trustee", and GRETCHEN

DERMODY, an unmarried woman, as to an undivided 40.4040% interest (representing a

portion of the original principal contribution of \$100,000.00), whose address is: P.O.

Box 7118 Reno, NV 89510; and COROLYNN VOGT, an

unmarried woman, as to an undivided 59.5960% interest (representing a portion of the

original principal contribution of \$147,500.00), whose address is: P.O. box

7118 Reno, NV 89510, herein collectively called "Beneficiary",

WITNESSETH:

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:

LOT 36, BLOCK B, AS SET FORTH ON FINAL SUBDIVISION MAP NO. 1006-11 FOR CHICHESTER ESTATES PHASE 11, FILED IN THE OFFICE

OF THE COUNTY RECORDER OF DOUGLAS COUNTY, NEVADA AND
RECORDED DECEMBER 27, 2002 IN BOOK 2002, PAGE 12732, AS
DOCUMENT NO. 562225, AND BY CERTIFICATE OF AMENDMENT
RECORDED MARCH 27, 2003 IN BOOK 0303, PAGE 13037, AS
DOCUMENT NO. 0571430, OFFICIAL RECORDS OF DOUGLAS COUNTY,
NEVADA.

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
\$247,500.00, 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 therefore; 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 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 supporting 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 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 therefore, upon written request of Trustor and Beneficiary, and without affecting the personal liability of any person for payment of the indebtedness secured hereby or affect 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, 2, 3 (interest 10%), 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".

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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:

Scott Andrew Johnstone, Trustee
 SCOTT ANDREW JOHNSTONE, TRUSTEE

STATE OF *Nevada*)
) ss
 COUNTY OF *Douglas*)

This instrument was acknowledged before me on
NOV. 17, 2008, by SCOTT ANDREW JOHNSTONE.

Mary Kelsh

 Notary Public



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