

DEED OF TRUST

This DEED OF TRUST, effective January 17, 2001, by and between, Ronald M. Mortenson and Candice Mortenson, as Trustors, Gary Sprouse, Ely, Nevada, as Trustee, and Blue Diamond Estates, Ltd., as Beneficiary. (It is distinctly understood that the words "Trustor" or "Beneficiary" and the word "his" referring to the Trustor or Beneficiary, as herein used, are intended to include the masculine, feminine and neuter genders and the singular and plural numbers as indicated by the context.)

WITNESSETH:

Trustor hereby grants, conveys and confirms unto Trustee in trust with power of sale, the real property situated in the County of Lincoln, State of Nevada, more particularly described as follows:

Towship 1 North, Range 67 East, U. S. B&M,
Section 15: Lot 13 of Parcel Map for James Vincent
recorded in the Lincoln County recorders office
November 8, 1997 as file No. 110131
APN 1-341-53

Together with all and singular the tenements, hereditaments and appurtenances thereunto belonging, appertaining, and reversions, remainder and remainders, rents, issues and profits, thereof, and also all the estate, right, title and interest, homestead or other claim or demand, as well in law as in equity, which the Trustor has, or may hereafter acquire, or in or to the said premises or any part thereof.

In the event of any default by Trustor, Trustor hereby assigns all rents from such property and gives to and confers upon Beneficiary the right, power and authority, during the continuance of these trusts, to collect the rents, issues, and profits of said property.

For the purpose of securing (1) that certain Purchase Agreement dated January 17, 2001, in the principal amount of One Hundred Two Thousand Three Hundred Nine Dollars and 62/100 (\$102,309.62), drawn in favor of Blue Diamond Estates, Ltd., with terms and conditions as therein set forth, and any extensions and/or renewals or any modifications thereof; (3) and the payment of such additional loans or advances as hereafter may be made to Trustor, or his successors or assigns, when evidenced by a promissory note or notes reciting that they are secured by this Trust Deed; (4) and the payment of all sums expended or advanced by any of the Beneficiaries hereof under or pursuant to the terms hereof, together with interest thereon as herein provided.

Trustor shall have thirty (30) days after receipt of written notice thereof, to cure such defaults as is set forth and covenanted in this Deed of Trust, excepting the timely making of installment payments of principal and/or interest when due. Thirty days after default in the performance or payment of any obligation as set forth above, or upon the failure of Trustor to cure any such default as set forth above, within 30 days after receipt of written notice thereof, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by the Court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in its own name and collect such rents, issues, and profits, including those

past due and unpaid, and apply the same, less costs, and expenses of operation and collection, (including reasonable attorney's fees), upon any indebtedness secured hereby as Beneficiary may determine.

The entering upon and taking possession of said property, the collection of such rents, issues, and profits, and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

Trustor grants to Beneficiary the right to record notice that this Deed of Trust is security for additional amounts and obligations not specifically mentioned herein, but which constitute indebtedness or obligations of the Trustor for which Beneficiary may claim this Deed of Trust as security.

AND THIS INDENTURE FURTHER WITNESSETH:

The Trustor promises and agrees:

FIRST: To pay when due all claims for labor performed and materials furnished for construction, alterations or repair upon the property; to comply with all laws affecting said property or relating to any alterations or improvements that may be made thereon; not to commit, suffer or permit any acts upon said property in violation of any law, covenant, condition or restriction affecting said property.

SECOND: To properly care for and keep the property herein described in first-class condition, order and repair; to care for protect and repair all buildings and improvements situated thereon; and otherwise to protect and preserve the said premises and the improvements thereon and not to commit or permit any waste or deterioration of said buildings and improvements or of said premises.

THIRD: To pay any deficiency arising from any costs after application of the proceeds of the sale held in accordance with the provisions of the covenants hereinabove adopted by reference.

FOURTH: The following covenants, Nos. 1, 3, 4 (interest 7.5% per annum), 5, 6, 7 (reasonable counsel fees), and No. 8 of N.R.S. 107.030, are hereby adopted and made a part of this Deed of Trust.

FIFTH: Beneficiary may, from time to time, as provided by statute or by writing, signed and acknowledged by him and recorded in the office of the County Recorder of the County in which said land or such part thereof is as then affected by this Deed of Trust is situated, appoint another Trustee in place and instead of Trustee herein named, and thereupon, the Trustee herein named shall be discharged and Trustee so appointed shall be substituted as Trustee hereunder with the same effect as if originally named Trustee.

SIXTH: The rights and remedies hereby granted shall not exclude any other rights or remedies granted by law, all rights and remedies granted hereunder or permitted by law shall be concurrent and cumulative. A violation of any of the covenants herein expressly set forth shall have the same effect as the violation of any covenant herein adopted by reference.

SEVENTH: In the event of any tax or assessment on the interest under this Deed of Trust it will be deemed that such taxes or assessments are upon the interest of the Trustor, who agrees to pay such taxes or assessments although the same may be assessed against the Beneficiary or Trustee.

EIGHTH: All the provisions of this instrument shall inure to, apply, and bind the legal representatives, successors and assigns of each party hereto respectively.

NINTH: In the event of a default in the performance or payment under this Deed of Trust, any notice given under Section 107.080 IRS shall be given by registered letter to the Trustor at the address herein or such address as may be furnished by Trustor in writing; and such notice shall be binding upon the Trustor, assignee, or grantee from the Trustor.

IN WITNESS THEREOF, the Trustor set their hands on this 23 of February 2001.

Ronald M. Mortenson

Ronald M. Mortenson
Candice Mortenson

Candice Mortenson

State of Nevada)
County of Lincoln)

On the 23 day of February 2001, personally appeared before me, Ronald M. Mortenson and Candice Mortenson being duly sworn by me, did say they executed the within and foregoing instrument.

Steven Hansen

Notary Public

NO. **116048**

FILED AND RECORDED AT REQUEST OF
BLUE DIAMOND ESTATES, LTD
MARCH 13, 2001

AT 05 MINUTE PAST 04 O'CLOCK
PM 153 OF OFFICIAL
RECORDS PAGE 512 LINCOLN

COUNTY, NEVADA
Zulie Boucha
COUNTY RECORDER

