

**REAL ESTATE DEED OF TRUST FOR NEVADA**  
(INSURED LOANS TO INDIVIDUALS)

THIS INDENTURE, made and entered into this date, Aug 31 1967

by and between the undersigned, EUREKA WATER ASSOCIATION, INC., a Nevada corporation,  
with its principal office

located in Eureka County, Nevada,  
whose post office address is Eureka Nevada 89316

as grantor(s), herein called "Borrower," and OLIVER J. DUVAL, State Director  
of the Farmers Home Administration for the State of Nevada, and his successors in office as State Director or  
Acting State Director, as trustee, herein called "Trustee," and the United States of America, acting through the  
Farmers Home Administration, United States Department of Agriculture, as beneficiary, herein called the "Gov-  
ernment," WITNESSETH THAT:

WHEREAS, Borrower is justly indebted to the Government as evidenced by a certain promissory note, herein  
called "the note," dated just 31 1967 for the principal sum of one hundred  
ONE HUNDRED SEVENTY-SIX THOUSAND EIGHT HUNDRED Dollars (\$ 176,800.00), with interest

at the rate of FIVE percent ( 5 %) per annum, executed by Borrower and payable to the  
order of the Government in installments as specified therein, which note authorizes acceleration of the entire  
indebtedness at the option of the Government upon any default by Borrower; and

WHEREAS, the note evidences a loan to Borrower in the principal amount specified therein, made with the  
purpose and intention that the Government, at any time, may assign the note and insure the payment thereof  
pursuant to the Consolidated Farmers Home Administration Act of 1961, or Title V of the Housing Act of 1949;  
and

WHEREAS, when payment of the note is insured by the Government, it may be assigned from time to time and  
each holder of the insured note, in turn, will be the insured lender; and

WHEREAS, when payment of the note is insured by the Government, the Government will execute and deliver  
to the insured lender along with the note an insurance endorsement insuring the payment of the note fully as to  
principal and interest; and

WHEREAS, at all times when payment of the note is insured by the Government, the Government by agree-  
ment with the insured lender set forth in the insurance endorsement will be entitled to a specified portion of the  
interest payments on the note, to be designated the "annual charge"; and

WHEREAS, a condition of the insurance of payment of the note will be that the holder will forego his rights  
and remedies against Borrower and any others in connection with said loan, as well as any benefit of this instru-  
ment, and will accept the benefits of such insurance in lieu thereof, and upon the Government's request will  
assign the note to the Government; and

WHEREAS, it is the purpose and intent of this instrument that, among other things, at all times when the note  
is held by the Government, or in the event the Government should assign this instrument without insurance of the  
note, this instrument shall secure payment of the note; but when the note is held by an insured lender, this  
instrument shall not secure payment of the note or attach to the debt evidenced thereby, but as to the note and  
such debt shall constitute an indemnity mortgage to secure the Government against loss under its insurance  
endorsement by reason of any default by Borrower;

NOW, THEREFORE, in consideration of said loan Borrower does hereby grant, bargain, sell, mortgage, and  
assign unto Trustee the following-described property situated in Eureka  
County(ies), State of Nevada:

**PARCEL 1:** All that portion of Block 104 as set forth in the Government Survey of the Townsite of Eureka, Nevada, as approved by the General Land Office November 19, 1937, lying easterly of the following described line:

Beginning at a point 236 feet East of the Southwest corner of said Block 104; thence North  $9^{\circ}44'$  West 150 feet to a point; thence North  $18^{\circ}16'$  East a distance of 260 feet, more or less, to the North boundary of said Block 104.

**PARCEL 2:** All that portion of Block 107 as set forth in the Government Survey of the Townsite of Eureka, Nevada, as approved by the General Land Office on November 19, 1937, lying West of the following described line:

Beginning at corner monument No. 2 of the Southern Cross Mill Site, also known as Block 107 of the Townsite of Eureka, thence in a Northwesterly direction to the Southwest corner of Monument No. 3 of the Richmond Mining Company of Nevada's Mill Site, also known as Block 108 of Eureka Townsite.

**PARCEL 3:** The DON RICARDO MILL SITE in the Eureka Mining District as patented under Survey No. 274-B on March 31, 1883, and recorded in Book 15, page 33, Deed Records.

**PARCEL 4:** The GERALDINE MILL SITE in the Eureka Mining District, as patented under Survey No. 284-B on July 28, 1883, and recorded in Book 17, page 39 of Deeds.

**PARCEL 5:** The SOUTHERN CROSS NO. 2 MILL SITE, in the Eureka Mining District, as patented under Survey No. 100-B on June 15, 1878, and recorded in Book 6, page 634 of Deeds.

**PARCEL 6:** All of Block 43, as set forth in the Government Survey of the Townsite of Eureka, Nevada, as approved by the General Land Office on November 19, 1937.

**PARCEL 7:** A tract of land more particularly described as follows:

Commencing at the U.S.C.G. Station tank monument which bears North  $70^{\circ}19'30''$  East, 1852.79 feet from the South quarter corner of Section 14, Township 19 North, Range 53 East, MDB&M, thence a distance of 25 feet towards the City cemetery on a bearing of  $S.85^{\circ}18'W.$ , the true point of beginning; thence a distance of 45.96 feet on a true bearing of  $N.22^{\circ}54'W.$ ; thence a distance of 100 feet on a true bearing of  $N.67^{\circ}06'E$ ; thence a distance of 58 feet on a true bearing of  $S.22^{\circ}54'E$ ; thence a distance of 100 feet on a true bearing of  $N.67^{\circ}06'E$ ; thence a distance of 42 feet on a true bearing of  $S.22^{\circ}54'E$ ; thence a distance of 200 feet on a true bearing of  $S.67^{\circ}06'W.$ ; thence a distance of 54.04 feet on a true bearing of  $N.22^{\circ}54'W.$

SUBJECT to recorded rights of way;

ARTICLE SIXTH. WHEREAS THE BORROWER OF THE WATER DISTRIBUTION SYSTEM OF THE CITY OF EUREKA, CALIFORNIA, together with all franchises, rights of way, permits and licenses for the construction and maintenance of the water distribution system of Borrower in and near Eureka, Nevada and all pipes, valves, meters, fittings, and other appurtenances of said water system now or hereafter installed on the lands covered by said franchises, rights of way, permits or licenses; also

together with all rights, interests, easements, hereditaments and appurtenances thereunto belonging, the rents, issues, and profits thereof and revenues and income therefrom, all improvements and personal property now or hereafter existing or hereafter to be made thereon, all water, water rights, water stock, wells, springs, ponds, and equipment pertaining thereto; and all payments at any time owing to Borrower by third parties, and all other rights, interests, and claims of or injury to, any part thereof or interest therein, all of which are hereby called "the property"

TO HAVE AND TO HOLD the property unto Trustee, his heirs, assigns, trustees and assigns forever

and the Government of the State of California (a) at all times when the note is held by the Government, or in the event the Government should assign this instrument without interruption of the payment of the note, to secure prompt payment of the note and any renewals and extensions thereof and any agreements contained therein, (b) at all times when the note is held by an insured lender, to secure performance of Borrower's agreement herein to indemnify and save harmless the Government against loss under its insurance endorsement by reason of any default by Borrower, and (c) in any event and at all times to secure the prompt payment of all advances and expenditures made by the Government, with interest, as hereinafter described, and the performance of every covenant and agreement of Borrower contained herein or in supplementary agreement, the provisions of which are hereby incorporated herein and made a part hereof.

BORROWER for himself, his heirs, executors, administrators, successors and assigns WARRANTS the property and the title thereto unto Trustee for the benefit of the Government against all lawful claims and demands whatsoever except any liens, encumbrances, easements, reservations, or conveyances specified hereinabove, and COVENANTS AND AGREES as follows:

(1) To pay promptly when due any indebtedness to the Government hereby secured and to indemnify and save harmless the Government against any loss under its insurance of payment of the note by reason of any default by Borrower. At all times when the note is held by an insured lender, Borrower shall continue to make payments on the note to the Government, as collection agent for the holder.

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(2) To pay to the Government any initial fees for inspection and appraisal, and any delinquency charges, now or hereafter required by regulations of the Farmers Home Administration.

(3) At all times when the note is held by an insured lender, any amount due and unpaid under the terms of the note, less the amount of the annual charge, may be paid by the Government to the holder of the note as provided in the note and insurance endorsement for the account of Borrower. Any amount due and unpaid under the terms of the note, whether it is held by the Government or by an insured lender, may be credited by the Government on the note and thereupon shall constitute an advance by the Government for the account of Borrower. Any advance by the Government as described in this paragraph shall bear interest at the note rate from the date on which the amount of the advance was due to the date of payment to the Government.

(4) Whether or not the note is insured by the Government, the Government may at any time pay any other amounts required herein to be paid by Borrower and not paid by him when due; as well as any costs and expenses for the preservation, protection, or enforcement of this lien, as advances for the account of Borrower. All such advances shall bear interest at the note rate until paid to the Government.

(5) All advances by the Government as described in this instrument, with interest, shall be immediately due and payable by Borrower to the Government without demand at the place designated in the note and shall be secured hereby. No such advance by the Government shall relieve Borrower from breach of his covenant to pay. Such advances, with interest, shall be repaid from the first available collections received from Borrower. Otherwise, any payment made by Borrower may be applied on the note or any indebtedness to the Government secured hereby, in any order the Government determines.

(6) To use the loan evidenced by the note solely for purposes authorized by the Government.

(7) To pay when due all taxes, liens, judgments, encumbrances, and assessments lawfully attaching to or assessed against the property and promptly deliver to the Government without demand receipts evidencing such payments.

(8) To keep the property insured as required by and under insurance policies approved by, delivered to, and retained by the Government.

(9) To maintain improvements in good repair and make repairs required by the Government; operate the property in a good and husbandmanlike manner; comply with such farm conservation practices and farm and home management plans as the Government from time to time may prescribe; and not to abandon the property, or cause or permit waste, lessening or impairment of the security covered hereby, or, without the written consent of the Government, cut, remove, or lease any timber, gravel, oil, gas, coal, or other minerals except as may be necessary for ordinary domestic purposes.

(10) If this instrument is given for a "Farm Ownership" loan as identified in Farmers Home Administration regulations, personally to operate the property with his own and his family labor as a farm and for no other purpose, and not to lease the property or any part of it, unless the Government consents in writing to some other method of operation or to a lease.

(11) To comply with all laws, ordinances, and regulations affecting the property.

(12) To pay or reimburse the Government for expenses reasonably necessary or incidental to the protection of the lien and priority hereof and to the enforcement of, or the compliance with, the provisions hereof and of the note or any supplementary agreement (whether before or after default), including but not limited to costs of evidence of title to and survey of the property, costs of recording this and other instruments, attorneys' fees, trustees' fees, court costs, and expenses of advertising, selling, and conveying the property.

(13) Neither the property nor any portion thereof or interest therein shall be assigned, sold, transferred, or encumbered, voluntarily or otherwise, without the written consent of the Government. The Government shall have the sole and exclusive rights as mortgagee hereunder, including but not limited to the power to grant consents, partial releases, subordinations, and satisfaction, and no insured lender shall have any right, title or interest in or to the lien or any benefits hereof.

(14) At all reasonable times the Government and its agents may inspect the property to ascertain whether the covenants and agreements contained herein or in any supplementary agreement are being performed.

(15) The Government may extend and defer the maturity of and renew and reamortize the debt evidenced by the note (with the consent of the holder of the note when it is held by an insured lender) or any indebtedness to the Government secured hereby, release from liability to the Government any party so liable thereon, release portions of the property from and subordinate the lien hereof, and waive any other rights hereunder, without affecting the lien or priority hereof or the liability to the Government of Borrower or any other party for payment of the note or indebtedness secured hereby.

(16) If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a production credit association, a Federal land bank, or other responsible, cooperative or private credit source, at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, upon the Government's request, apply for and accept such loan in sufficient amount to pay the note and any indebtedness secured hereby and to pay for any stock necessary to be purchased in a cooperative lending agency in connection with such loan.

(17) Default hereunder shall constitute default under any other real estate or crop or chattel, security instrument held or insured by the Government and executed or assumed by Borrower, and default under any such other security instrument shall constitute default hereunder.

(18) SHOULD DEFAULT occur in the performance or discharge of any obligation secured by this instrument, or should any one of the parties named as Borrower die or be declared an incompetent, a bankrupt, or an insolvent, or make an assignment for the benefit of creditors, the Government, at its option, may: (a) declare the entire amount unpaid under the note and any indebtedness to the Government hereby secured immediately due and payable, (b) for the account of Borrower incur and pay reasonable expenses for repair or maintenance of and take possession of, operate or rent the property, (c) upon application by it and production of this instrument, without other evidence and without notice of hearing of said application, have a receiver appointed for the property, with the usual powers of receivers in like cases, and (d) authorize and request Trustees to foreclose this instrument and sell the property as provided by law.

(19) At the request of the Government, Trustee may foreclose this instrument by advertisement and sale of the property as provided by law, for cash or secured credit at the option of the Government; personal notice of which sale need not be served on Borrower; such sale may be adjourned from time to time without other notice than oral proclamation at the time and place appointed for such sale and correction made on the posted notices; and at such sale the Government and its agents may bid and purchase as a stranger; Trustee at his option may conduct such sale without being personally present, through his delegate authorized by him for such purpose orally or in writing, and Trustee's execution of a conveyance of the property or any part thereof to any purchaser at foreclosure sale shall be conclusive evidence that the sale was conducted by Trustee personally or through his delegate duly authorized in accordance herewith.

(20) The proceeds of foreclosure sale shall be applied in the following order to the payment of: (a) costs and expenses incident to enforcing or complying with the provisions hereof, (b) any prior liens required by law or a competent court to be so paid, (c) the debt evidenced by the note and all indebtedness to the Government secured hereby, (d) inferior liens of record required by law or a competent court to be so paid, (e) at the Government's option, any other indebtedness of Borrower owing to or insured by the Government, and (f) any balance to Borrower. In case the Government is the successful bidder at foreclosure or other sale of all or any part of the property, the Government may pay its share of the purchase price by crediting such amount on any debts of Borrower owing to or insured by the Government, in the order prescribed above.

(21) All powers and agencies granted in this instrument are coupled with an interest and are irrevocable by death or otherwise; and the rights and remedies provided in this instrument are cumulative to remedies provided by law.

(22) As against the debt evidenced by the note and any indebtedness to the Government hereby secured and to the extent permitted by law, Borrower hereby relinquishes all rights of homestead in the property and hereby waives all present and future valuation or appraisal laws and all exemptions of any kind to which Borrower may be entitled under the laws and constitution of the jurisdiction in which the property is situated.

(23) This instrument shall be subject to the present regulations of the Farmers Home Administration, and to its future regulations not inconsistent with the express provisions hereof.

(24) Notices given hereunder shall be sent by certified mail, unless otherwise required by law, addressed, unless and until some other address is designated in a notice so given, in the case of the Government to Farmers Home Administration, United States Department of Agriculture, at Berkeley, California 94704, and in the case of Borrower to him at his post office address stated above.

(25) Upon full and final payment of all indebtedness hereby secured and the performance and discharge of each and every condition, agreement and obligation, contingent or otherwise, contained herein or secured hereby, the Government shall execute and deliver to Borrower at his above post office address a release and satisfaction hereof within 60 days after written demand by Borrower, and Borrower hereby waives the benefits of all laws requiring earlier execution or delivery of such release and satisfaction.

IN WITNESS whereof, Borrower has hereunto set Borrower's hand(s) and seal(s) the day and year first above written.

ATTEST:

Ronald V. Nicks  
Secretary-Treasurer

EUREKA WATER ASSOCIATION, INC., a Nevada corporation  
BY: Jack L. Bay  
President

ACKNOWLEDGMENT

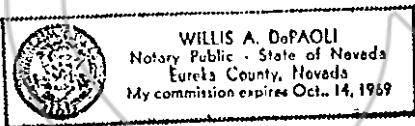
STATE OF NEVADA )

COUNTY OF \_\_\_\_\_ )

SS:

On this 31st day of August, A.D. 1967, personally appeared before me, a Notary Public in and for the County of EUREKA, State of Nevada, JACK L. BAY, known to me to be the PRESIDENT and RONALD V. NICKS, known to me to be the Secretary-Treasurer of the corporation that executed the foregoing instrument, and upon oath did depose that THEY are the officers of said corporation as above designated; that THEY are acquainted with the seal of said corporation, and that the seal affixed to said instrument is the corporate seal of said corporation; that the signatures to said instrument were made by the officers of said corporation as indicated after said signatures; and that the said corporation executed the said instrument freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



My commission expires:

Willis A. DePaoli  
Notary Public in and for \_\_\_\_\_  
County, State of Nevada.

FILE NO. 15195

Filed for record at the request of Eureka Water Association, Inc.,

August 31, 1967, at 31 minutes past 2 P.M. Recorded in

Book 20 of Official Records, page 284-288, Records of EUREKA

COUNTY, NEVADA.

Fee: \$ 7.00

Willis A. DePaoli, Recorder.