

RECORDING REQUESTED BY

When Recorded Mail to
Nevada National Bank
 350 E. Front St.
 Battle Mountain, NV 89820

Space Above this Line for Recorder's Use

DEED OF TRUST & ASSIGNMENT OF RENTS

THIS DEED OF TRUST, Made this 7th day of March, 1986 between
John N. Davis and Joanna Davis, husband and wife as joint tenants,
 whose address is 165 W. Front St. Battle Mountain, Nevada 89820

herein called TRUSTOR, NEBACO, Inc., a Nevada corporation, herein called TRUSTEE, and NEVADA NATIONAL BANK Battle Mtn., a National banking association, organized and existing under and by virtue of the laws of the State of Nevada, herein called BENEFICIARY. (It is distinctly understood that the word "Trustor" and the words "he", "his" or "him" referring to the Trustor, as herein used, are intended to and do include the masculine, feminine and neuter genders and the singular and plural numbers as indicated by the context.)

WITNESSETH: That Trustor irrevocably grants, transfers and assigns to Trustee in Trust, with power of sale, that property in County, Nevada, described as: "A parcel of land located in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 26, and the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 25, Township 33 North, Range 48 East, MDB&M, Eureka County, Nevada, more particularly described as follows:

Commencing at the Southeast Corner of said Section 26, thence North 4 $^{\circ}$ 31' 30" West 4051.65 feet to Corner No. 1 the true point of beginning being on the northerly right-of-way of U.S. Highway 40,
 Thence from a tangent bearing North 76 $^{\circ}$ 55' 52" East, on a curve to the right, with a radius of 3112.00 feet, through a central angle of 7 $^{\circ}$ 11' 34", for an arc length of 390.67 feet along the said northerly right-of-way of U.S. Highway 40 to corner No. 2,
 Thence North 5 $^{\circ}$ 52' 34" West 250.00 feet to Corner No. 3,
 Thence South 80 $^{\circ}$ 31' 39" West 421.78 feet to Corner No. 4,
 Thence South 13 $^{\circ}$ 04' 08" East 250.00 feet to Corner No. 1, the point of beginning;
 containing 2.289 acres more or less, as shown by the parcel map for JOHN W. MARVEL and WILBURTA S. MARVEL filed in the Office of Recorder, Eureka County, Nevada, on January 19, 1981 as File No. 78377."

DUE-ON-SALE Except as otherwise provided herein, in the event that Trustor, or any successor in interest to Trustor in the real property hereby encumbered shall sell, transfer or convey, or contract to sell, transfer or convey, such real property, or any portion thereof, or any interest therein, at the option of Beneficiary, the obligation secured by this deed of trust shall forthwith become due and payable although the time of maturity as expressed therein shall not have arrived. Consent to one such transaction shall not be deemed

TOGETHER WITH, all and singular the tenements, hereditaments, and appurtenances thereto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, royalties and payments arising or accruing by reason of any oil, gas or mineral lease thereof and installments of money payable pursuant to any agreement for sale of said property or any part thereof, SUBJECT, HOWEVER, to the right, power, and authority given to and conferred upon Beneficiary by paragraph (13) of the provisions incorporated herein by reference to collect and apply such rents, issues, profits, royalties, payments and installments of money as they become due and payable. It is specifically understood and agreed, without affecting the generality of the foregoing, that all gas, electric, heating, cooling, cooking, air-conditioning, refrigeration and plumbing appliances and equipment, which are now in or which may hereafter be attached to, or built-in in any building or improvement now or hereafter on said real property, shall be deemed fixtures and a part of the realty, and are a portion of the security for the indebtedness herein mentioned.

FOR THE PURPOSE OF SECURING, 1. Payment of the sum of \$ ****ONE HUNDRED THIRTY FIVE THOUSAND AND 00/100*** with interest thereon, according to the terms of a promissory note or notes of even date herewith, made by Trustor, payable to the order of the Beneficiary, and extensions or renewals thereof. 2. Payment of such additional sums with interest thereon as may hereafter be borrowed from the Beneficiary by the then record owner or owners of said property when evidenced by another Promissory note or notes. 3. Payment, with interest thereon, of any other present or future indebtedness or obligation of the Trustor (or of any successor in interest of the Trustor to said property) to the Beneficiary, whether created directly or acquired by assignment, whether absolute or contingent, whether due or not, whether otherwise secured or not or whether existing at the time of execution of this Deed of Trust, or arising thereafter, when evidenced by promissory notes stating that said notes are secured hereby. 4. Performance of each agreement of Trustor herein contained.

TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR AGREES: By the execution and delivery of this Deed of Trust and the note or notes secured hereby, that he will observe and perform all provisions; that the note and other obligations therein referred to shall be deemed to mean the obligations secured by this Deed of Trust; that the property herein referred to shall be deemed to mean the property affected by this Deed of Trust; that the terms "Trustor", "Beneficiary", and "Trustee", as used therein shall be deemed to mean the Trustor, Beneficiary, and Trustee, respectively, under this Deed of Trust; and Trustor acknowledges that he has read the copy of said provision (1) to (17), inclusive, set forth on the reverse and understands the same.

The undersigned Trustor requests that a copy of any Notice of Default and of any Notice of Sale hereunder be mailed to him at his address hereinbefore set forth.

STATE OF NEVADA
 COUNTY OF Lander ss.
 On this 7th day of March, 19 86,
 personally appeared before me, a Notary Public,
John N. and Joanna Davis who acknowledged

SIGNATURE OF TRUSTOR
John N. Davis
Joanna Davis

that he executed the above instrument.

Beverly J. Martin
 NOTARY PUBLIC
 BEVERLY J. MARTIN
 Notary Public - State of Nevada
 Appointment Recorded In Lander County
 MY APPOINTMENT EXPIRES 01/01/1989

TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR AGREES:

(1) To keep said property in good condition and repair, not to remove or demolish any buildings thereon, to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor, and if the loan secured hereby or any part thereof is being obtained for the purpose of construction of improvements on said property, Trustor also agrees, anything in the Deed to the contrary notwithstanding (a) to complete same in accordance with plans and specifications satisfactory to Beneficiary; (b) to allow Beneficiary to inspect said property at all times during construction; (c) to replace any work or materials unsatisfactory to Beneficiary, within fifteen (15) calendar days after written notice from Beneficiary of such fact, which notice may be given to the Trustor by certified mail, sent to his last known address, or by personal service of the same; (d) that work shall not cease on the construction of such improvements for any reason whatsoever for a period of fifteen calendar days; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereon; not to commit, suffer or permit any act upon said property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific cautions herein not excluding the general. The Trustor, upon presentation to it of an affidavit signed by Beneficiary, setting forth facts showing a default by Trustor under this paragraph, is authorized to accept as true and conclusive all facts and statements therein, and to act thereon hereunder.

(2) To provide and maintain in force at all times, fire and other types of insurance as may be required, each in an amount satisfactory to, and with Loss Payable to said Beneficiary. Said insurance Policies shall be in form and content, and for such term, and in such corporations as may be satisfactory to the Beneficiary, and shall be delivered to and remain in possession of Beneficiary as further security for the faithful performance of these trusts.

At least sixty (60) days prior to the expiration of any said insurance policy, a policy or policies covering an extending said expiring insurance, shall be delivered to said Beneficiary together with a receipt showing payment of the premium therefor. By executing this Deed of Trust the Trustor specifically requests the Beneficiary to obtain said insurance in the event any said insurance policy and a receipt for payment of the premium therefor be not so delivered to said Beneficiary by the Trustor, but Beneficiary shall be under no obligation to do so, and the obtaining of any such insurance and the payment of the premium therefor by Beneficiary shall not release Trustor from any obligation hereof. Neither Trustor nor Beneficiary shall be responsible for such insurance or for the collection of any insurance moneys, or for any insolvency of any insurer or insurance underwriter. Any and all unexpired insurance shall inure to the benefit of, and pass to the purchaser of, the property covered hereby at the time of said sale hereunder.

The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or 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.

(3) Should Trustor sell, convey, transfer, dispose of or further encumber said property, or any part thereof, or any interest therein, or agree so to do, without consent of Beneficiary being first obtained, then Beneficiary shall have the right at its option to declare all sums secured hereby forthwith due and payable. Consent to one such transaction shall not be deemed to be a waiver of the right to require such consent to future or successive transactions. If this Deed of Trust or any Note secured hereby contains any provision conferring on Beneficiary the right to demand any penalty, fee or sum of money for prepayment of any indebtedness secured hereby, Trustor agrees to pay the maximum amount of such penalty, fee or sum of money which Beneficiary would have been entitled to demand pursuant to such provision. If any of said indebtedness shall be paid prior to the due date thereof stated in said Note or this Deed, even if notwithstanding Trustor shall have defaulted in payment thereof, or in performance of any agreement hereunder, said Beneficiary, by reason thereof, shall have declared all sums secured hereby immediately due and payable.

Beneficiary may charge Trustor a reasonable fee, but not exceeding such amount as may from time to time be authorized by law, for furnishing any statement or notice relating to this Deed of Trust or the indebtedness hereby secured, including, but not limited to, notice showing the information specified in Chapter 107, Nevada Revised Statutes, 107.090 and 107.090. Beneficiary may also charge Trustor a reasonable fee for any other service rendered Trustor or on his behalf, connected with this Deed, or the loan secured hereby, including without limiting the generality of the foregoing, the delivery to an escrow holder of a request for full or partial reconveyance of the Deed to Trustor or to be held against the hereinabove described premises and an installment of the premium or premiums that will become due and payable to the insurance on the premises covered hereby and required by the Beneficiary, Trustor agreeing to deliver promptly to Beneficiary all bills and notices therefor. Such installments shall be equal to the estimated premium or premiums for such insurance and taxes and assessments then due (as estimated by Beneficiary) less all installments already paid therefor, divided by the number of months that are to elapse before one month prior to the date such premium or premiums and taxes and assessments will become delinquent. If the amounts paid to the Beneficiary under the provisions of this paragraph are insufficient to discharge the obligation of the Trustor to pay such premium or premiums, taxes and assessments as the same become due, Trustor shall pay to Beneficiary upon this demand such additional sums as it may require to discharge Trustor's obligation to pay premiums of premiums, taxes and assessments. At the option of the Beneficiary, all moneys paid to Beneficiary under the terms of this paragraph shall be held by Beneficiary in trust to pay such premium or premiums, taxes and assessments before the same become delinquent, or may be disbursed directly to interest and principal due under the terms of the note secured hereby and upon payment by the Beneficiary of taxes, assessments and insurance premiums, the amount so paid shall be charged to the principal due upon the note secured hereby. If the Trustor shall fail to pay the installments provided for in this paragraph, such failure shall constitute a default under this Deed of Trust.

(4) To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding, and in any action or proceeding whatsoever affecting the security hereof, including, but not limited to any condemnation proceeding in which Beneficiary or Trustee may appear or be named and any suit brought by Beneficiary to foreclose this Deed of Trust.

(5) To pay, at least ten (10) days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock, when due, all encumbrances, charges and liens, with interest on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees and expenses of this Trust.

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to demand upon Trustor and without releasing Trustor from any obligation hereof, may: make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights and powers of Beneficiary or Trustee; pay, purchase, contest or compromise any incumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers pay necessary expenses, employ counsel and pay his reasonable fees.

(6) To pay immediately and without demand all sums so expended by Beneficiary or Trustee with interest from date of expenditure at the rate specified in said note.

(7) To insure the payment of taxes and assessments, which are now or hereafter may be a lien upon the property described at least ten (10) days before the delinquency thereof as provided for in paragraph (5) hereinafter, and to pay such premiums upon policies of insurance which may be required by the Beneficiary as provided for in paragraph (5) hereinafter. The Trustor agrees to give the Beneficiary in addition to the payments required hereunder, an installment of the full or partial reconveyance of the Deed to Trustor or to be held against the hereinabove described premises and an installment of the premium or premiums that will become due and payable to the insurance on the premises covered hereby and required by the Beneficiary, Trustor agreeing to deliver promptly to Beneficiary all bills and notices therefor. Such installments shall be equal to the estimated premium or premiums for such insurance and taxes and assessments then due (as estimated by Beneficiary) less all installments already paid therefor, divided by the number of months that are to elapse before one month prior to the date such premium or premiums and taxes and assessments will become delinquent. If the amounts paid to the Beneficiary under the provisions of this paragraph are insufficient to discharge the obligation of the Trustor to pay such premium or premiums, taxes and assessments as the same become due, Trustor shall pay to Beneficiary upon this demand such additional sums as it may require to discharge Trustor's obligation to pay premiums of premiums, taxes and assessments. At the option of the Beneficiary, all moneys paid to Beneficiary under the terms of this paragraph shall be held by Beneficiary in trust to pay such premium or premiums, taxes and assessments before the same become delinquent, or may be disbursed directly to interest and principal due under the terms of the note secured hereby and upon payment by the Beneficiary of taxes, assessments and insurance premiums, the amount so paid shall be charged to the principal due upon the note secured hereby. If the Trustor shall fail to pay the installments provided for in this paragraph, such failure shall constitute a default under this Deed of Trust.

(8) In the event of default in the payment of any of the moneys to be paid under the terms of the Note secured hereby or this Deed of Trust or in the performance of any of the covenants and obligations of this Deed of Trust then any funds in the possession of the Beneficiary under the provisions of paragraph (7) may at the option of the Beneficiary be applied to the payment of principal and/or interest upon the obligation secured hereby in lieu of being applied to any of the purposes for which the fund established under paragraph (7) is established.

(9) 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 effect as above provided for disposition of proceeds of fire or other insurance.

(10) By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right either to require prompt payment when due or all other sums so secured or to declare default for failure so to pay.

(11) At any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed and said Note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may: reconvey any part of said property; consent to the making of any map or plat thereof; join in granting any easement or join in any extension agreement or any agreement subordinating the lien or charge hereof.

(12) Upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of the original of this Deed and said Note to Trustee for cancellation and retention and upon payment of any fees, taxes and charges which Trustee shall receive, without warranty, the property then held hereunder. 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 said Note and this Deed (unless directed in such request to retain them). Such request and reconveyance shall operate as a reassignment of the rents, issues and profits hereinafter assigned to Beneficiary.

(13) As additional security, Trustor hereby gives to and confers upon the Beneficiary the right, power, and authority, during the continuance of these trusts, to collect the rents, issues, profits, royalties and payments of said property, or arising or accruing by reason of any oil, gas, or mineral lease thereof, and all installments of money payable pursuant to any agreement for the use of said property or any part thereof, reserving unto Trustor the right prior to default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues, profits, royalties, payments and installments of money, as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter and take possession of said property or any part thereof, in his own name, not for or through the collection of such rents, issues, profits, royalties, payments and installments of money, including those paid 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, and in such order as Beneficiary may determine. If Beneficiary should take possession of said property, Beneficiary may rent or lease any or all of said property upon such terms as may be reasonable under all the circumstances. If entering upon and taking possession of said property, the collection of such rents, issues, profits, royalties, payments and installments of money, and the application thereof as aforesaid, shall not cure or waive any default or Notice of Default hereunder nor invalidate any act done pursuant to such notice. Failure or discontinuance of Beneficiary at any time or from time to time to collect any such moneys shall not in any manner impair the subsequent enforcement by Beneficiary of the right, power and authority herein conferred upon it. Nothing contained herein, nor the exercise of any right, power or authority herein granted to Beneficiary, shall be, or be construed to be, an affirmation by it of any tenancy, lease or option, nor an assumption of liability under, nor a subordination of the lien or charge this Deed to, and such tenancy, lease or option.

(14) If breach or default be made in the prompt payment, when due, of any sum secured hereby or in the performance of any promise contained herein, or contained in any conveyance under which said Trustor claims or derives title, then and thereupon, thereafter the Beneficiary hereunder may declare all sums secured hereby immediately due and payable, with or without demand or notice, and the Beneficiary or Trustee shall record in the office of the County Recorder of the county or counties herein said property or any part thereof situated, a notice of such breach or default and election to cause the said property to be sold to satisfy the indebtedness and obligations secured hereby, as provided by the laws of the State of Nevada with reference to the foreclosure of deeds of trust.

On application of the Beneficiary, and after at least three (3) months shall have elapsed following the recording of said notice of breach or default, the Trustee shall give notice of the time and place of sale in the manner and for a time not less than that required by law for the sale of real property under execution, and without demand on separate parcels, and in such order as it may determine, at public auction, to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement, and without further notice it may make such sale at the time to which the same shall be postponed. Trustee shall deliver to the purchaser of any sale hereunder the property so sold, but without any covenant of warranty, express or implied. The recital in any such deed of any matters or facts stated either specifically or in general terms, or conclusions of law or fact, shall be conclusive proof of the truthfulness thereof, and such deed shall be conclusive against all persons as to all matters or facts therein recited. Any person, including Trustor, Trustee or Beneficiary, may purchase at such sale. Trustor hereby agrees to attend immediately, and without demand, possession of said property to any purchaser at any sale held hereunder, in the conduct of any such sale the Trustee may act itself, or through any auctioneer, agent or attorney. In addition to the indebtedness and other obligations secured hereby, the Trustor hereby agrees to pay the expenses of such sale and of this trust, and compensation of the Trustee in an amount equal to one per cent (1%) of the amount secured hereby and remaining unpaid, but in no event less than Twenty-five Dollars (\$25.00), and counsel fee, in an amount equal to six per cent (6%) of the amount remaining unpaid and secured hereby, but in no event less than One Hundred Dollars (\$100.00), and also such sums, if any, as Trustee or Beneficiary shall have paid for procuring an abstract of title or search of records or evidence or report as to the title to said premises or any part thereof subsequent to the execution of this deed, or any other sums which shall be secured hereby and become due upon any default hereunder made by the Trustor. The Trustor shall apply the proceeds of any sale held hereunder to the satisfaction of the sums secured hereby and become due upon any default hereunder made by the Trustor. The Trustee shall apply the proceeds of any sale held hereunder to the satisfaction of the sums secured hereby, in such order and to such extent as the Beneficiary, in the exercise of its absolute discretion, may direct. Any surplus in the hands of the Trustee after the payment of all sums secured hereby, shall be paid to the person or persons legally entitled thereto on the proof of such right. Trustor agrees to pay forthwith to Beneficiary or other person or persons entitled thereto any deficiency remaining after the application of the proceeds of sale to the payment of all sums secured hereby.

(15) Beneficiary may, from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or being hereunder, which instrument, executed and acknowledged by Beneficiary and recorded in the office of the recorder of the county or counties where such property is situated, shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance, assume the Trustee powers reserved to all its title, estate, rights, powers and obligations. Such instrument must contain the name of the original Trustee, Trustee and Beneficiary hereunder, the book and page where this Deed is recorded, and the name and address of the new Trustee. If notice of default shall have been recorded, this power of substitution cannot be exercised until after the costs, fees and expenses of the then acting Trustee shall have been paid to such Trustee, who shall endorse receipt thereof upon such instrument of substitution. The procedure herein provided for the substitution of Trustees shall be exclusive of all other provisions for substitutions, statutory or otherwise.

(16) This Deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term "Beneficiary" shall mean the owner and holder, including pledgees of the Note secured hereby, whether or not named as Beneficiary herein in this Deed, whenever the context so requires, the masculine gender includes the feminine and or neuter and the singular number includes the plural.

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

Do not lose or destroy this Deed of Trust OR THE NOTE which it secures.

Both must be recorded to the Trustee for cancellation before reconveyance will be made. BOOK 44 PAGE 48

ADDENDUM TO DEED OF TRUST:
Con't.

to be a waiver of the right to require consent to future or successive transactions.

(INITIALS) JD . JD .

OFFICIAL RECORDS
LANDER CO. NEV
RECORD REQUESTED BY

Nevada National Bank

86 MAR 11 11:34

132032

RAYE K. FAGG
RECORDER

FEE 7 DEP. 9

RECORDED AT REQUEST OF
Frontier Title Co.
BOOK 144 PAGE 147

86 MAY 1 11:42

OFFICIAL RECORDS
EUREKA COUNTY, NEVADA
M.N. REALEATH RECORDER
FILE NO. 102572
FEE \$ 7.00