

THIS DEED OF TRUST, made this 20th day of August, 1994

by and between David Beard, P. O. Box 229, Eureka, Nevada 89316

as Grantor, and Frontier Title Company as Trustee, and William

G. Salles and Lynda Salles, 631 Pleasanton Place, Oakdale,

California 95361

Beneficiary.

W I T N E S S E T H :

That Grantor hereby grants, transfers and assigns to

the Trustee in trust, with power of sale, all of the following

described real property situate in the County of Eureka, State of

Nevada, more particularly described as follows, to-wit:

Parcel E of Parcel D as shown on that certain

Parcel Map for William and Lynda Salles, recorded

in the Official Records of Eureka County on May

19, 1989 as Document Number 127230, a portion of

The Large Division Map of the E.1/2S.17, T.20N.,

R.53E., M.D.B.&M., Assessors Parcel # 07-394-08.

Including 1 Nashua mobilehome, Model UTT3FK,

Serial # 34170, 10 feet wide by 60 feet in length,

and other improvements.

EXCEPTING THEREFROM all the oil and gas in an

under said land, reserved by the United States

of America in Patent, recorded April 15, 1966,

in Book 10, Page 331, Official Records, Eureka

County, Nevada; and all minerals by William and

Lynda Salles.

Together with all buildings thereon.

TOGETHER with the tenements, hereditaments, and

appurtenances thereunto belonging or in anywise

appertaining, and the reversion and reversions,

remainder and remainders, rents, issues and

profits thereof.

TO HAVE AND TO HOLD the same unto said Trustee and its

successors, in trust, to secure the performance of the following

obligations, and payment of the following debts:

(1)

1 ONE: Payment of an indebtedness evidenced by a certain  
 2 Promissory Note dated August 22, 1994, in the principal  
 3 amount of \$20,000.00 with the interest thereon, expenses,  
 4 attorney fees and other payments therein provided, executed and  
 5 delivered by the Grantor payable to the Beneficiary or order, and  
 6 any and all extensions or renewals thereof.  
 7 TWO: Payment of such additional amounts as may be  
 8 hereafter loaned by the Beneficiary to the Grantor or any  
 9 successor in interest of the Grantor, with interest thereon,  
 10 expenses and attorney fees, and any other indebtedness or  
 11 obligation of the Grantor to the Beneficiary.  
 12 THREE: Payment of all other sums with interest thereon  
 13 becoming due or payable under the provisions hereof to either  
 14 Trustee or Beneficiary.  
 15 FOUR: Payment, performance and discharge of each and  
 16 every obligation, covenant, promise and agreement of Grantor  
 17 herein or in said note contained and of all renewals, extensions,  
 18 revisions and amendments of the above described notes and any  
 19 other indebtedness or obligation secured hereby.  
 20 To protect the security of this Deed of Trust, it is  
 21 agreed as follows:  
 22 1. The Beneficiary has the right to record notice that  
 23 this Deed of Trust is security for additional amounts and obliga-  
 24 tions not specifically mentioned herein but which constitute  
 25 indebtedness or obligations of the Grantor for which the  
 26 Beneficiary may claim this deed of Trust as Security.  
 27 2. The Grantor shall keep the property herein  
 28 described in good condition, order and repair; shall not remove,

1 demolish, neglect, or damage any buildings, fixtures, improvements  
 2 or landscaping thereon or hereafter placed or constructed thereon;  
 3 shall not commit or permit any waste or deterioration of the land,  
 4 buildings, and improvements; and shall not do nor permit to be  
 5 done anything which shall impair, lessen, diminish or deplete  
 6 the security hereby given.

7 3. The following covenants, Nos. 1; 2(\$7,500.00 )  
 8 3; 4(12.5%); 5; 6; 7 (reasonable); 8; and 9 or N.R.S.  
 9 107.030 are hereby adopted and made a part of this Deed of Trust.  
 10 In connection with Covenant No. 6, it shall be deemed to include  
 11 and apply to all conditions, covenants and agreements contained  
 12 herein in addition to those adopted by reference, and to any and  
 13 all defaults of deficiencies in performance of this Deed of Trust.  
 14 4. All payments secured hereby shall be paid in lawful  
 15 money of the United States of America.

16 5. The Beneficiary and any persons authorized by the  
 17 Beneficiary shall have the right to enter upon and inspect the  
 18 premises at all reasonable times.

19 6. In case of condemnation of the property subject  
 20 hereto, or any part thereof, by paramount authority, all of any  
 21 condemnation award to which the Grantor shall be entitled less  
 22 costs and expenses of litigation, is hereby assigned by the  
 23 Grantor to the Beneficiary, who is hereby authorized to receive  
 24 and receipt for the same and apply such proceeds as received,  
 25 toward the payment of the indebtedness hereby secured, whether  
 26 due or not.

27 7. If default be made in the performance or payment of  
 28 the obligation, note or debt secured hereby or in the performance

1 of any of the terms, conditions and covenants of this Deed of  
 2 Trust, or the payment of any sum or obligation to be paid here-  
 3 under, or upon the occurrence of any act or event of default  
 4 hereunder, and such default is not cured within thirty-five (35)  
 5 days after written notice of default and of election to sell said  
 6 property given in the manner provided by N.R.S. 107.080 as in  
 7 effect on the date of this Deed of Trust, Beneficiary may declare  
 8 all notes, debts and sums secured hereby or payable hereunder  
 9 immediately due and payable although the date of maturity has not  
 10 yet arrived.

11 8. The Promissory Note secured by this Deed of Trust  
 12 is made a part hereof as if fully herein set out.

13 9. The commencement of any proceeding under the  
 14 Bankruptcy or Insolvency Laws by or against the Grantor or the  
 15 maker of the note secured hereby; or the appointment of receiver  
 16 for any of the assets of the Grantor hereof or the maker of the  
 17 Note secured hereby of a general assignment for the benefit of  
 18 creditors, shall constitute a default under this Deed of Trust.

19 10. The rights and remedies herein granted shall not  
 20 exclude any other rights or remedies granted by law, and all  
 21 rights or remedies granted hereunder of permitted by law shall be  
 22 concurrent and cumulative.

23 11. All the provisions of this instrument shall insure  
 24 to and bind the heirs, legal representatives, successors and  
 25 assigns of each party hereto respectively as the context permits.  
 26 All obligations of each Grantor hereunder shall be joint and  
 27 several. The word "Grantor" and any reference thereto shall  
 28 include the masculine, feminine and neuter genders and the

1 singular and plural, as indicated: by the context and number of

2 parties hereto.

3 12. Any notice given to grantor under Section 107.080

4 of N.R.S. in connection with this Deed of Trust shall be given by

5 registered or certified letter to the grantor addressed to the

6 address set forth near the signatures on this Deed of Trust, or

7 at such substitute address as grantor may direct in writing to

8 Beneficiary and such notice shall be binding upon the grantor and

9 all assignees or grantees of the grantor.

10 13. It is expressly agreed that the trusts created

11 hereby are irrevocable by the grantor.

12 IN WITNESS WHEREOF, The grantor has executed these

13 presents the day and year first above written.

15 GRANTOR:

*David Beard*  
David Beard

BENEFICIARY:

*William G. Salles*  
William G Salles  
*Lynnda Salles*  
Lynnda Salles

19 ADDRESS:

P. O. Box 229

ADDRESS:

631 Pleasanton Pl.

21 Eureka, Nevada 89316

Oakdale, California 95361

STATE OF CALIFORNIA

)  
) SS.  
)  
COUNTY OF STANISLAUS

On 9/27/1994

, before me, a notary public in and for said state, personally appeared David Beard, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he or she executed the same in the capacity(ies) indicated at the signature point.

WITNESS my hand and official seal.

*Stephanie F. Rodinetti*  
Signature

Capacity of Signatory Grantor



OFFICIAL SEAL  
STEPHANIE F. RODINETTI  
NOTARY PUBLIC - CALIFORNIA  
PRINCIPAL OFFICE IN  
STANISLAUS COUNTY  
COMM. EXP. MAR. 22, 1995

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\$20,000.00 August 20, 1994

PROMISSORY NOTE

FOR VALUE RECEIVED, the undersigned, David Beard P. O.

Box 229, Eureka, NV 89316 promises to pay to the order of William

G. Sales and Lynda Sales 631 Pleasanton Pl. Oakdale CA

at Eureka, Nevada, or wherever payment may be demanded by the

holders of this note, the principal sum of (\$20,000.00) Twenty

Thousand Dollars, with interest thereon, at the rate of 12.5

per cent per annum, from August 20, 1994

until paid, both interest and principal payable as follows:

\$ (\$220,00) Two Hundred Twenty Dollars, including interest, on or before September 20th 1994, and a like amount of Two Hundred Twenty Dollars, including interest, on or before the Twentieth day of each and every month thereafter until the principal balance and all accrued interest is paid in full. Each payment shall be applied first to the accrued interest and the balance to principal as of the date of payment. Interest shall accrue only on the unpaid principal balance of this note remaining from time to time. All payments shall be in lawful money of the United States of America.

At the option of the holder of this Note, the entire

balance shall mature and become payable in full, without notice,

upon the sale or transfer of the security herefor. This note and

the Deed of Trust securing it, are not assumable without written

authorization of the beneficiary thereof.

The makers shall have the right to pay all or any

portion of this note at any time without penalty. provided, however,

any additional payments shall not be cumulative payments, but

the makers shall, in all events pay each monthly installment

(1)

1 as it comes due until the Note is paid in full.  
 2 The makers, comakers, endorsers, guarantors and  
 3 sureties, jointly and severally, waive presentment, protest and  
 4 notice of dishonor, and waive diligence in collecting, and agree  
 5 that this Note may be renewed or extended from time to time, and  
 6 that any security herefor may be released or discharged partially  
 7 or in full and that additional comakers, guarantors, and sureties  
 8 may become parties hereto, without notice to or the consent of any  
 9 of them, and without affecting their liability hereon.  
 10 If any default or deficiency be made in the payment of  
 11 this Note, or any portion or installment hereof; or in the  
 12 performance of the Deed of Trust, security agreement or other  
 13 agreements, documents or instruments, or other lien or  
 14 encumbrance which secures the payment of this Note; or in the  
 15 payment and performance of any other Deed of Trust, mortgage  
 16 security agreement or other lien or encumbrance or the note or  
 17 debt secured thereby which security affects all or any portion  
 18 of the property which secures payment of this Note; and such  
 19 default or deficiency is not cured and made good within thirty-  
 20 five (35) days in the manner and after the notice specified in  
 21 N.R.S. 107.080, as in effect on the date of this Note, then, at  
 22 the option of the Holder of this Note, the entire unpaid principal  
 23 balance of hereof together with all accrued interest and other  
 24 sums payable hereunder and under the terms of the security  
 25 herefor shall become immediately due and payable in full, although  
 26 the time of maturity expressed in this Note shall not have arrived.  
 27 It is agreed that at the election of the holder of this  
 28 Note the same shall mature and become immediately payable in full



(3) - and Last-

EUREKA COUNTY NEVADA  
M.N. REBALANCE RECORDER  
FILE NO.  
FEES 14.00

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OFFICIAL RECORDS  
RECORDED AT THE REQUEST OF  
EARL RASMUSSEN  
94 NOV 16 AM 11:40

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1 together with all other sums payable hereunder and under the  
2 security herefor, although the time of maturity of this Note has  
3 not arrived, without notice, upon the happening of any one or  
4 more of the following events:

1. The commencement of any proceeding under  
the Bankruptcy or Insolvency laws by or  
against any of the makers of this Note.

2. The appointment of a receiver or conservator  
for any of the assets or property of any of  
the makers hereof.

3. Any assignment for the benefit of creditors  
made by any of the makers hereof.

The makers further agree to pay all costs, charges and  
expenses, including reasonable attorney fees, incurred by the

holder of this Note, incident to the collection hereof, or any

portion, in the event of default or deficiency in the payment of

this Note, or any portion hereof, or in the performance of the

Deed of Trust or other security which secures it.

A Deed of Trust of even date herewith secures the

payment of this Note

David Beard



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