

163197

DEED OF TRUST

THIS DEED OF TRUST is made this 12 day of MAY, 1996, by and between **JAMES HALE BAILEY and D. BORTFELD BAILEY**, husband and wife, hereinafter called "Grantor"; **STEWART TITLE OF NORTHEASTERN NEVADA** as Trustee; and **WALLACE HALE BAILEY and DONNA RAY BAILEY**, husband and wife, hereinafter called "Beneficiary", it being specifically understood that any and all references to the words "Grantor" and "Beneficiary" shall include the masculine, feminine, and neuter genders, and singular and plural, as indicated by the context and number of parties hereto;

WITNESSETH:

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:

TOWNSHIP 30 NORTH, RANGE 52 EAST, MDB&M

Section 21: E½; E½SW¼

EXCEPTING THEREFROM all petroleum, oil, natural gas, and products derived therefrom, within or underlying said land or that may be produced therefrom, as reserved by **SOUTHERN PACIFIC LAND COMPANY**, in Deed recorded March 9, 1950, in Book 24, Page 42, Deed Records, Eureka County, Nevada.

FURTHER EXCEPTING THEREFROM an undivided one-half interest in and to any and all other mineral rights in said lands as reserved by **OSCAR RUDNICK, SAM RUDNICK AND FILBERT ETCHEVERRY**, a Co-Partnership, doing business under the firm name and style of **EUREKA LIVESTOCK COMPANY**, et al, in Deed recorded May 1, 1957, in Book 25, Page 134, Deed Records, Eureka County, Nevada.

SUBJECT TO all covenants, conditions, restrictions, exceptions, easements, rights of way, reservations and rights, and other matters evidenced by documents of record.

TOGETHER WITH all of **GRANTOR'S** right, title and interest in and to all oil, gas, geothermal resources, minerals and mineral deposits of whatever kind or nature, existing as a part of, upon, beneath the surface of or within said lands, including any mineral leases, rentals and/or royalties thereon.

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TOGETHER WITH any and all buildings, fixtures and improvements situate 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:

ONE: Payment of an indebtedness evidenced by a certain Promissory Note of even date hereof in the principal amount of SEVENTEEN THOUSAND ONE HUNDRED AND 30/100 DOLLARS (\$17,100.30), with interest thereon, expenses, attorneys' fees and other payments therein provided, executed and delivered by the Grantor payable to the Beneficiary or order, and any and all extensions or renewals thereof.

TWO: Payment of such additional amounts as may be hereafter loaned by the Beneficiary to the Grantor, or any successor in interest of the Grantor, with interest thereon, expenses and attorneys' fees, and any other indebtedness or obligations of the Grantor to the Beneficiary.

THREE: Payment of all other sums with interest thereon becoming due or payable under the provisions hereof to either Trustee or Beneficiary.

FOUR: Payment, performance and discharge of each and every obligation, covenant, promise and agreement of Grantor herein or in said Note contained and of all renewals, extensions, revisions and amendments of the above described Note and any other indebtedness or obligations secured hereby.

To protect the security of this Deed of Trust, it is agreed as follows:

1. The Beneficiary has 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 Grantor for which the Beneficiary may claim this Deed of Trust as security.

2. The Grantor shall keep the property herein described in good condition, order and repair; shall not remove, demolish, neglect, or damage any buildings, fixtures, improvements, or landscaping thereon or hereafter placed or constructed thereon; shall not commit or permit any waste or deterioration of the land, buildings and improvements; and shall not do nor permit to be done, anything which shall impair, lessen, diminish or deplete the security hereby given.

3. The following covenants, Nos. 1; 2 (insurable value); 3; 4 (12%); 5; 6; 7 (reasonable); 8; and 9 of N.R.S. 107.030, are hereby adopted and made a part of this Deed of Trust. In connection with Covenant No. 6, it shall be deemed to include and apply to all conditions, covenants and agreements contained herein in addition to those adopted by reference, and to any and all defaults or deficiencies in the performance of this Deed of Trust.

4. All payments secured hereby shall be paid in lawful money of the United States of America.

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

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

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

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

9. The rights and remedies herein granted shall not exclude any other rights or remedies granted by law, and all rights or remedies granted hereunder or permitted by law shall be concurrent and cumulative.

10. All the provisions of this instrument shall inure to and bind the heirs, legal representatives, successors, and assigns of each party hereto respectively as the context permits. All obligations of each Grantor hereunder shall be joint and several.

11. Any notice given to Grantor under Section 107.080 of Nevada Revised Statutes in connection with this Deed of Trust shall be given by registered or certified letter to the Grantor addressed to the address set forth near the signature on this Deed of Trust, or at such substitute address as Grantor may direct in writing to Beneficiary and such notice shall be binding upon the Grantor and all assignees or grantees or the Grantor.

12. It is expressly agreed that the trusts created hereby are irrevocable by the Grantor.

IN WITNESS WHEREOF, the Grantor has executed these presents the day and year first above written.

GRANTOR:

James Hale Bailey
JAMES HALE BAILEY
HC 65-22
Carlin, NV 89822

D. Bortfeld Bailey
D. BORTFELD BAILEY
HC 65-22
Carlin, NV 89822

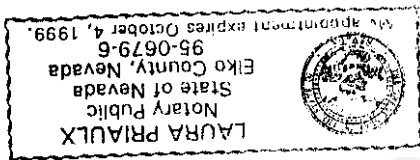
STATE OF NEVADA

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) SS.
)
COUNTY OF

On May 22, 1996, personally appeared before me, a Notary Public, JAMES HALE BAILEY and D. BORTFELD BAILEY, personally known to me to be the persons whose names are subscribed to the above instrument who acknowledged that they executed said instrument.

NOTARY PUBLIC

Laura Priaulx



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OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
Stewart
96 MAY 24 AM 11:02

EUREKA COUNTY, NEVADA
M.H. REBALEATI, RECORDER
FEES 10.00
FILE NO.

163197

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