

163396

DEED OF TRUST

THIS DEED OF TRUST, made and entered into as of the 11th day of July,

1996, by and between Cheyenne Land & Livestock Company, Inc., a Nevada corporation,

First Party, hereinafter called the Grantor; Stewart Title Company, a Nevada corporation,

Second Party, hereinafter called the Trustee; and William G. Sales and Lynda L. Sales,

husband and wife, as joint tenants with right of survivorship, Third Parties, being hereinafter

called the Beneficiaries; it being understood that the words used herein in any gender includes all

other genders, the singular number includes the plural, and the plural the singular,

WITNESSETH:

THAT WHEREAS, the said Grantor is, or may become, indebted to the said

Beneficiaries, in the sum of TWENTY-SEVEN THOUSAND DOLLARS (\$27,000.00), lawful

money of the United States, and has agreed to pay the same according to the terms and tenor of

a certain Promissory Note of even date herewith, and made, executed and delivered by said

Grantor to said Beneficiaries, which note is in the words and figures as follows:

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ATTORNEYS AT LAW
442 Court St.
ELKO, NEVADA 89801-0389

96010291

PROMISSORY NOTE

\$27,000.00
July 11, 1996, Elko, Nevada, *Mine*

FOR VALUE RECEIVED, the Maker promises to pay to the order of William G. Salles and Lynda L. Salles, husband and wife, as joint tenants with right of survivorship, at Elko, Nevada, or wherever payment may be demanded by the holder of this Note, the sum of TWENTY-SEVEN THOUSAND DOLLARS (\$27,000.00), together with interest on the declining balance to accrue at the rate of ten and one-half per cent (10½%) per annum from the date hereof until paid, all in the manner following:

\$700.00 on or before ninety days from the date hereof and a like sum quarterly thereafter until the entire balance of principal, together with accrued interest, has been paid in full. Said quarterly payments shall be applied first to accrued interest to date thereof and the remainder upon the principal.

The Maker may, at its option, make additional payments or pay the entire unpaid principal, with accrued interest, in full at any time. Said payments shall be applied first to accrued interest to date of payment and the remainder upon the principal. Said additional payments shall not be cumulative payments, but the Maker shall in all events, pay at least the sums required by the above payment schedule.

The Maker and endorser waives demand, diligence, presentment, protest and notice of protest and nonpayment.

In the event of default in the payment of any sum of principal or interest, or both, due hereunder, according to the terms and tenor hereof, or in the performance of any of the provisions of any security instruments now or hereafter securing this Note, the holders may, at their option, declare the entire amount of principal and interest due and payable. Failure to exercise such option shall not constitute a waiver of the right to exercise it in the event of any subsequent default.

In case of default in the payment of any part of the principal or interest due hereunder, the Maker promises and agrees to pay the holder's reasonable attorney's fees and costs incurred in collecting the same before and during litigation or nonjudicial foreclosure.

This Note is secured by Deed of Trust of even date herewith.

Cheyenne Land & Livestock Company, Inc.

by

President

ATTEST:

Secretary

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NOW, THEREFORE, the said Grantor, for the purpose of securing the payment

of said Promissory Note, and also the payment of all monies herein agreed, or provided to be paid

by the said Grantor, or which may be paid out or advanced by the said Beneficiaries or Trustee

under the provisions of this instrument, with interest in each case, does hereby grant, bargain,

sell, convey and confirm unto the said Trustee all of the right, title and interest, claim and

demand, as well in law as in equity, which the said Grantor may now have or may hereafter

acquire of, in or to the following described real property situate in the County of Eureka, State

of Nevada, and being more particularly described as follows:

See Exhibit A attached hereto.

TOGETHER WITH any improvements situate thereon, or which are placed thereon during the life of this Deed of Trust.

TOGETHER WITH all of Grantor's water, water rights, rights to the use of water, whether surface or underground or otherwise, whether present or permitted, certificated, decreed or otherwise, and whether present or future, including all rights, title and interest in community water systems.

TOGETHER WITH all of Grantor's right, title and interest in and to all coal, oil, gas, hydrocarbons, geothermal products, and minerals, whether hydrocarbon or not, or metallic or not, of every name and nature whatsoever, whether common or unique, and whether now known or unknown, existing upon the surface of, as a part of the surface of, beneath the surface of, and within all of the above-described properties or appurtenant to or associated therewith.

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 said premises, together with the appurtenances,

unto the said Trustee, and to its successors and assigns, for the uses and purposes herein

mentioned.

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The following covenants, Nos. 1, 2 (none), 3, 4 (10½%), 5, 6, 7 (reasonable), 8

and 9 of NRS 107.030, are hereby adopted and made a part of this Deed of Trust.

This Deed of Trust also secures payment for further sums and the promissory notes

evidencing the same, together with interest as shall be provided for therein, as may hereafter be

loaned of advanced by the Beneficiaries to the Grantor.

Said Grantor, in consideration of the premises, hereby covenants and agrees that

neither the acceptance nor existence, now or hereafter, of other security for the indebtedness

secured hereby, nor the release thereof, shall operate as a waiver of the security of this Deed of

Trust, nor shall this Deed of Trust nor its satisfaction nor a reconveyance made hereunder operate

as a waiver of any such other security now held or hereafter acquired.

It is agreed that at the election of the holder of this Note the same shall mature and

become immediately payable in full together with all other sums payable hereunder, although the

time of maturity of this Note has not arrived, without notice, upon the happening of any one or

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 Grantor expressly covenants and agrees at all times during the term hereof, and

with respect to the land herein described, and all buildings and other improvements now or

hereafter located or placed thereon:

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1. To properly care for and maintain the same in their present condition, order and repair, ordinary and reasonable wear and tear excepted.

2. Not to alter, remove or change the present use of the same without the prior written consent of the Beneficiaries.

3. Not to commit or permit any waste of the same.

4. Not to do any other act or omit to do any other act which results, or is likely to result, in a reduction or impairment of the value of the same.

If the following conditions are met, and the Grantor so elects, the Trustee shall, without the consent of the Beneficiaries, make one or more partial reconveyances of this Deed of

Trust:

1. Upon making an additional payment in one of the amounts specified in Exhibit A attached, Grantor may have a reconveyance of one of the parcels or lots from Exhibit A attached.

2. The Grantor must make written request for the partial reconveyance to the Trustee with a copy to the Beneficiaries.

3. The Grantor's written request must specify the parcel description of the parcel to be reconveyed.

IN WITNESS WHEREOF, the said Grantor has hereunto set its hand as of the

day and year first hereinabove written.

CHEYENNE LAND & LIVESTOCK
COMPANY, INC.
by _____
President

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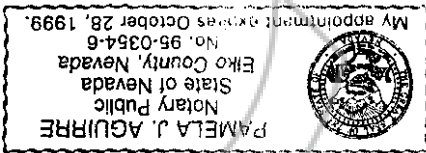
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COOPY

JAN 14 1996



NOTARY PUBLIC

STATE OF NEVADA,
COUNTY OF ELKO,
)
) ss.
)
On ~~June~~ July 9, 1996, personally appeared before me, a Notary Public,
John Gortley, personally known (or proved) to me to be the person whose name is
subscribed to the above instrument who acknowledged that he executed the above instrument as
President of Cheyenne Land & Livestock Company, Inc.

Pamela J. Aguirre

NOTARY PUBLIC

LEGAL DESCRIPTION

The land referred to herein is situated in the State of Nevada,
County of EUREKA, described as follows:

PARCEL 4:

Parcels F, G and H as shown on that certain Parcel Map for
WILLIAM and LYNDIA SALLES filed in the office of the County
Recorder of Eureka County, State of Nevada, on May 19, 1989, as
File No. 127230, being a portion of Parcel "D" of Parcel Map,
Document No. 117612, E1/2 Section 17, TOWNSHIP 20 NORTH, RANGE 53
EAST, M.D.B.&M.

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OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
Stewart City

96 JUL 11 AM 11:34

EUREKA COUNTY NEVADA
M.N. REBAL/REORDER
FILE NO.
FEES 13.00

163396

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