

164854

DEED OF TRUST

THIS DEED OF TRUST, made this 18 day of October, 1996, by and between STEPHEN STUELKE, a single man, as Trustor, and NEVADA BANK & TRUST, as Trustee, and JEFFREY A. LYNN, a married man as his sole and separate property, as Beneficiary;

W I T N E S S E T H:

That the said Trustor hereby grants, bargains, sells, conveys and confirms unto the said Trustee, and to its successors and assigns, with power to sell, the following described real property situate in the County of Eureka, State of Nevada, more particularly described as follows:

TOWNSHIP 30 NORTH, RANGE 48 EAST, MDB&M.

Section 5: Southwest Quarter (SW $\frac{1}{4}$)

EXCEPTING THEREFROM, all petroleum, oil, natural gas and products derived therefrom, within or underlying said land or that may be produced therefrom, and all rights thereto, as reserved by SOUTHERN PACIFIC LAND COMPANY in Deed to H. J. BUCHENAU and ELSIE BUCHENAU recorded September 24, 1951, in Book 24 of Deeds, at Page 168, Eureka County, Nevada.

TOGETHER with any and all improvements that may be on said property and any and all gas, oil, minerals and mineral rights now held by Trustor in connection with said property and not heretofore reserved or excepted.

TOGETHER with the tenements, hereditaments and appurtenances thereunto belonging or appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof.

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ROSS P. EARDLEY
ATTORNEY AT LAW
469 IDAHO STREET
ELKO, NEVADA 89801

TELEPHONE (702) 738-4046 - FAX (702) 738-6286

TO HAVE AND TO HOLD the same unto the Trustee, and to its successors and assigns, upon the trusts, covenants and agreements herein expressed and as security for the payment of a certain Promissory Note of even date herewith, for the principal sum of \$48,000.00, bearing interest from the date thereof at the rate of 9% per annum, said principal sum and interest being payable in monthly installments, as more specifically set forth in said Note; said Note being executed by the Trustor herein to the said Beneficiary and payable in care of Nevada Bank & Trust, Elko, Nevada, or wherever else said Beneficiary in writing designates. Said Note is hereby referred to and incorporated herein as though set forth in full herein.

This Deed of Trust is also given as security for the payment of any and all monies which the Beneficiary and Trustee, or either of them, may or shall hereafter loan or advance to the Trustor, or advance for his account, even though the said loan or advance may be secured by other mortgage or Deed of Trust and as security for the payment of all other monies that may become due from the Trustor from any cause whatsoever, including the payment of all other monies hereby agreed or provided to be paid by the Trustor, or which may be paid out, or advanced, by the Trustee, or by the Beneficiary, under the provisions of this Deed of Trust.

The Trustor hereby covenants and agrees:

1. The Trustor promises and agrees to properly care for and keep the property herein described, including any fences, buildings and other improvements thereon, in at least as good a condition of repair and maintenance as the same now are, subject to normal wear and tear, and to care for, protect and maintain any and all buildings

situate thereon, and to otherwise protect and maintain said premises and not to commit nor permit any waste or deterioration thereof. The Trustor may make such alterations or improvements as he may desire on said premises, so long as they do not lessen the value of said property, and the Trustor shall pay, when due, all claims for labor performed or material furnished thereon.

2. That the Beneficiary, or his duly authorized agents, shall at all reasonable times have the right to enter upon said premises and inspect the same.

3. The Trustor covenants, warrants and represents that the title conveyed is a fee simple absolute title, free and clear of all encumbrances; that he will forever warrant and defend the title to the premises above mentioned to the Trustee and Beneficiary and their successors and assigns, against all lawful claims and demands of all persons whomsoever.

4. The following covenants Nos. 1, 2(\$ 0 -), 3, 4(9%), 5, 6, 7(Reasonable), 8 and 9 of Section 107.030 NRS are hereby adopted and made a part of this Deed of Trust.

5. The reconveyance of this Deed of Trust shall be at the cost and expense of the Trustor, or such other persons entitled to reconveyance.

6. The acceptance by said Beneficiary of any payment of the indebtedness hereby secured shall not operate as a waiver by the Beneficiary of any default by the Trustor made previously to such payment in any of the covenants or agreements to be made, kept and performed by the Trustor herein provided.

7. The Trustor hereby covenants and agrees that neither the acceptance nor existence, now or hereafter, of any 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 such other security now held or hereafter acquired.

8. Partial Reconveyances: The Beneficiary agrees to make partial releases and reconveyances of the subject property upon the following terms and conditions:

- a. For each \$12,000.00 of principal paid on the obligation secured by this Deed of Trust, the Trustor may select one 40 acre parcel from the above described property to be released from this Deed of Trust.
- b. The \$12,000.00 referred to above may be an accumulation from the regular monthly payments or the Trustor may at any time make larger or additional payments to apply on the said \$12,000.00 required for release purposes; and/or said \$12,000.00 may be a combination of regular payments and additional payments. All payments so made shall be credited toward the payment of the Promissory Note which is secured by this Deed of Trust.
- c. At the time of any release, all interest shall be paid to date and there shall be no other default in this Deed of Trust.
- d. Either the Trustee or Beneficiary of this Deed of Trust may execute any and all reconveyances referred to herein; and the Beneficiary hereby appoints and empowers the Trustee, upon receipt of payments or other evidence that Trustor is entitled to such partial release or releases, to execute and record such partial reconveyances for and on behalf of the Beneficiary as hereinabove set forth.

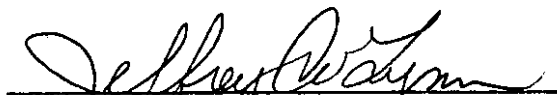
- e. All expenses, legal fees and recording costs in connection with said releases and reconveyances shall be paid by the Trustor.

9. All the provisions of this instrument shall apply to and bind the legal representatives, successors and assigns of the respective parties hereto, and it is distinctly understood and agreed that the words Trustor, Grantor, Trustee or Beneficiary, as used in this instrument, and any pronoun referring thereto, is intended to and does include the masculine, feminine and neuter genders, and the singular and plural numbers; that the covenants and agreements of the Trustor or Grantor herein shall be construed to be the joint and several covenants and agreements of all persons who sign this instrument; that if any provision of this Deed of Trust be judicially declared invalid, such decision shall not affect the validity of the remaining provisions, and if any sale made hereunder shall be judicially declared invalid or deemed by the Beneficiary to be invalid, such sale shall not exhaust the power of sale, and the Trustee, at the request of the Beneficiary, may proceed anew with the sale of this property, in order to enforce fully the provisions of this Deed of Trust.

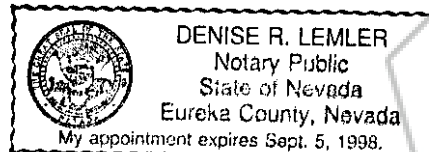
10. Said Trustor agrees that the said Trustee, or its successors in interest, shall not incur any liability on account of any act done or omitted to be done, in good faith, under the provisions of this Deed of Trust, and that said Trustee shall be fully protected in acting upon any statement, report, order, notice, request, consent or other paper or document believed to be genuine and signed by the proper parties.

IN WITNESS WHEREOF, the said Trustor and Beneficiary have
executed these presents the day and year first above written.

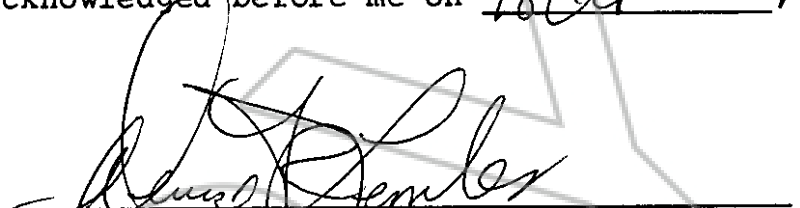

STEPHEN STUELKE, Trustor


JEFFREY A. LYNN, Beneficiary

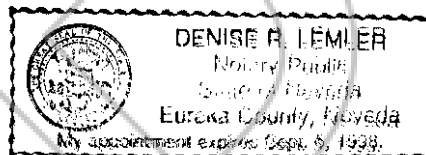
STATE OF NEVADA)
 : SS.
COUNTY OF)



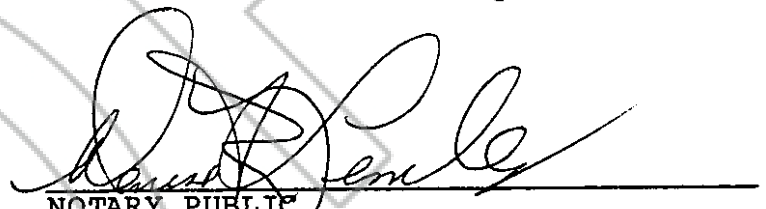
This instrument was acknowledged before me on 18 Oct,
1996, by STEPHEN STUELKE.


NOTARY PUBLIC

STATE OF NEVADA)
 : SS.
COUNTY OF)



This instrument was acknowledged before me on 18 Oct,
1996, by JEFFREY A. LYNN.


NOTARY PUBLIC

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OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
Ross P. Carden
96 OCT 24 PM 12:48
EUREKA COUNTY NEVADA
M.N. REBALEATI, RECORDER
FILE NO. FEES 12.00

164854

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