

THIS DEED OF TRUST, made this 1st day of December, 1996, by and between RICHARD A. MCKAY, an unmarried man, Trustor, FIRST AMERICAN TITLE COMPANY OF NEVADA, Trustee, and RICHARD W. MCKAY, a married man, as his sole and separate property, Beneficiary.

W I T N E S S E T H :

That Trustor does hereby grant, bargain, sell, convey and

confirm unto Trustee in trust with power of sale, all that

certain property in the City of Eureka, County of Eureka, State

of Nevada, more particularly described as follows:

Lots five (5), six (6), seven (7), and eight (8), in Block 74, according to the official plat or map of said town of Eureka, approved by the United States General Land Office on November 19, 1937.

APN: 01-066-01

AND, ALSO, all the estate, interest, homestead or other

claim, as well in law as in equity, which said Trustor now has

or may hereafter acquire in and to said property, together with

all easements and rights of way used in connection therewith or

as a means of access thereto, and all and singular 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 the said Trustee and its

successors, for the purpose of securing:

Payment of an indebtedness in the sum of \$40,000.00,

evidenced by a Promissory Note of even date herewith, with

interest thereon, according to the terms of said Note, which

Note by reference is hereby made a part hereof, executed by

Trustor and delivered to Beneficiary, and payable to the order

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of Beneficiary, and any and all extensions or renewals thereof, payment of such additional sums with interest thereon, as may be hereafter loaned by the Beneficiary to Trustor when evidenced by the Promissory Note or Notes of Trustor; payment of all other sums with interest thereon becoming due and payable under the provisions hereof to either Trustee or to Beneficiary, and the performance and discharge of each and every obligation, covenant and agreement of Trustor herein contained.

AND THIS INDENTURE FURTHER WITNESSETH:

FIRST: Trustor promises and agrees to pay when due all claims for labor performed and materials furnished for any construction, alteration or repair upon the above-described premises; to comply with all laws affecting said property or relating to any alterations or improvements that may be made thereon; not to commit or permit waste thereon, not to commit, suffer or permit any acts upon said property in violation of any law, covenant, condition or restriction affecting said property; and to permit Beneficiary to enter at all reasonable times for the purpose of inspection.

SECOND: Trustor covenants to keep all buildings that may now or at any time be on said property during the continuance of this trust in good repair and insured against loss by fire, with extended coverage endorsement, in a company or companies authorized to issue such insurance in the State of Nevada, and as may be approved by Beneficiary, for at least such sum or sums as shall equal the total indebtedness secured by this Deed of Trust and all obligations having priority over this Deed of Trust or, the maximum full insurable value of such buildings, in

the event such maximum insurable value is less than the foregoing, and shall be payable to Beneficiary to the amount of the unsatisfied obligation to Beneficiary hereby secured, and to deliver the policy to Beneficiary or to collection agent of Beneficiary, and in default thereof, Beneficiary may procure such insurance and/or make such repairs, and expend for either of such purposes such sum or sums as Beneficiary shall deem proper.

THIRD: The following covenants Nos. 1, 3, 4 (interest 12%), 5, 6, 7 (counsel fees 12%), 8 and 9 of Nevada Revised Statutes 107.030, are hereby adopted and made a part of this Deed of Trust.

FOURTH: Trustor agrees to pay any deficiency arising from any cause after application of the proceeds of the sale held in accordance with the provisions of the covenants hereinabove adopted by reference.

FIFTH: The rights and remedies hereby granted shall not exclude any other rights or remedies granted by law, and all rights and remedies granted hereunder or permitted by law shall be concurrent and cumulative. A violation of any of the covenants herein expressly set forth shall have the same effect as the violation of any covenants herein adopted by reference.

SIXTH: All the provisions of this instrument shall inure to, apply to, and bind the heirs, executors, successors and assigns of the survivor of Beneficiary and shall inure to, apply to, and bind the legal representatives, successors and assigns of each of the other parties hereto, respectively. Whenever used, the singular number shall include the plural, the plural,

the singular, and the use of any gender shall include all other genders.

SEVENTH: Trustor hereby assigns to the Trustee any and all

rents of the above-described premises accruing after default and hereby authorizes Trustee, or a receiver to be appointed on

application of Trustee or Beneficiary, without waiving or

affecting the right of foreclosure or any other right hereunder, to take possession of the premises at any time after there is a default in the payments of said debt or in the performance of any of the obligations herein contained, and to rent the

premises for the account of Trustor. At any Trustee's Sale held

hereunder, Trustee shall sell the property herein described as a single unit unless herein otherwise specifically directed and at

such sale is hereby authorized to bid for Beneficiary or other

absent person.

EIGHTH: It is hereby expressly agreed that the trust

created hereby is irrevocable by Trustor.

NINTH: This Deed of Trust is executed by Trustor and

accepted by Beneficiary with the understanding and upon the

express condition that if Trustor should make default in the

performance of any of the covenants and agreements herein set

forth, then and in that event the full amount of the principal

indebtedness secured hereby shall forthwith be and become wholly

due and payable, notwithstanding the fact that the same would

not otherwise be due according to the terms of the Promissory

Note secured hereby, and further, that the relationship of

landlord and tenants shall exist as between the purchaser of the

real property covered hereby upon foreclosure proceedings, and

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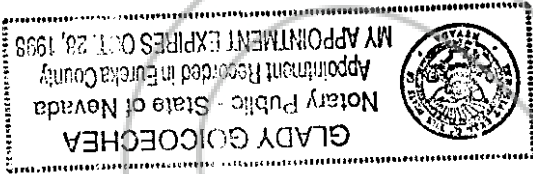
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EUREKA COUNTY NEVADA
M. REBALATI, RECORDER
FILE NO. FEES 11.00

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OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
David H. Xahan atty
98 APR 20 PM 1:23



NOTARY PUBLIC

Gladys Gicochea

On this 6th day of April, 1998, there personally appeared before me, a Notary Public, RICHARD A. MCKAY, personally known (or proved) to me to be the person whose name is subscribed to the above instrument, who acknowledged to me that he executed the instrument.

STATE OF CALIFORNIA)
) ss: EUREKA)
COUNTY OF EUREKA)

Richard A. McKay
RICHARD A. MCKAY, Trustor

purchaser.

Trustor and his successors in interest may be removed therefrom by any proceeding authorized by law, including an unlawful detainer action, in the event the possession of said real property should not be voluntarily surrendered to such