

172252

ALL-INCLUSIVE DEED OF TRUST

THIS ALL-INCLUSIVE DEED OF TRUST, made this 23 day of MAY, 1999, by and between ROBERT JOHNSTON and SANDRA JOHNSTON, husband and wife, as Trustors, and STEWART TITLE OF NORTHEASTERN NEVADA, a Nevada Corporation, as Trustee, and ROBERT W. MITCHELL and DEBORAH A. MITCHELL, husband and wife, as joint tenants with right of survivorship, as Beneficiaries;

W I T N E S S E T H:

That the said Trustors hereby grant, bargain, sell, convey and confirm 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:

Lot 7, Block 8, of CRESCENT VALLEY RANCH & FARMS UNIT NO. 1, as per map recorded in the Office of the County Recorder of Eureka County, Nevada, as File No. 34081.

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 ELSIA BUCHENAU, recorded September 24, 1951, in Book 24, of Deeds at Page 168, Eureka County, Nevada.

TOGETHER with any and all buildings and improvements situate thereon.

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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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 \$25,000.00, bearing interest from the date thereof at the rate of 11% 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 Trustors herein to the said Beneficiaries and payable at Eureka, Nevada, or wherever else said Beneficiaries in writing designate. 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 Beneficiaries and Trustee, or either of them, may or shall hereafter loan or advance to the Trustors, or either of them, or advance for their 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 Trustors, or either of them, from any cause whatsoever, including the payment of all other monies hereby agreed or provided to be paid by the Trustors, or which may be paid out, or advanced, by the Trustee, or by the Beneficiaries, under the provisions of this Deed of Trust.

The Trustors hereby covenant and agree:

1. The Trustors promise and agree 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 Trustors may make such alterations or improvements as they may desire on said premises, so long as they do not lessen the value of said property, and the Trustors shall pay, when due, all claims for labor performed or material furnished thereon.

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

3. The Trustors covenant, warrant and represent that, except as hereinafter set forth, the title conveyed is a fee simple absolute title, free and clear of all encumbrances; that they will forever warrant and defend the title to the premises above mentioned to the Trustee and Beneficiaries and their successors and assigns, against all lawful claims and demands of all persons whomsoever.

4. It is understood that this Deed of Trust is second and subordinate to a prior Deed of Trust dated May 13, 1997, executed by Robert W. Mitchell and Deborah A. Mitchell, husband and wife, as Trustors, to Stewart Title of Northeastern Nevada, a Nevada Corporation, Trustee, which secures an indebtedness of \$16,000.00 in favor of Bob L. Mitchell and Shirley J. Mitchell, Co-Trustees of the Bob L. Mitchell and Shirley J. Mitchell Trust dated August 16, 1996, as evidenced by a Promissory Note of even date therewith. Said prior Deed of Trust was recorded on May 14, 1997, in Book 308 of Official Records, at Page 69, Document No. 166817, in the Eureka County Recorder's Office, Eureka, Nevada.

The unpaid balance of said prior Note as of the date hereof is approximately \$_____, together with interest thereon at the rate of _____% per annum, which the Beneficiaries herein have agreed to pay, in monthly installments of not less than \$_____. Should the Beneficiaries herein default in any of the payments on the prior Note, the Trustors herein may make said delinquent payments and all payments so made shall be credited to the Note secured by this Deed of Trust. Should the Trustors herein prepay the Note secured by this Deed of Trust, the Beneficiaries herein shall also prepay the prior Note in a proportionate amount.

Should Trustors be in default under the terms of the Note secured hereby, and if Beneficiaries consequently incur any penalties, charges or other expenses on account of the prior Note or prior Deed of Trust during the period of such default, then the amount of such penalties, charges and expenses shall be immediately added to the principal amount of the Note secured hereby and shall be immediately payable by Trustors to Beneficiaries.

Any demand hereunder delivered by Beneficiaries to Trustee for the foreclosure of the lien of this All-Inclusive Deed of Trust may be not more than the sum of the following amounts: (a) the equity of the Beneficiaries in the Note secured hereby, being the difference between the then unpaid balance on the Note on the date of such foreclosure sale and the then unpaid balance of the prior Note as of the date of such foreclosure sale; plus (b) the aggregate of all amounts theretofore paid by Beneficiaries pursuant to the terms of this All-Inclusive Deed of Trust prior to the date of such foreclosure sale, for taxes and assessments, insurance premiums, delinquency

charges, foreclosure costs, and any other sum advanced by Beneficiaries pursuant to the terms of this All-Inclusive Deed of Trust to the extent the same were not previously repaid by Trustors to Beneficiaries; plus (c) the costs of foreclosure together with attorney's fees and costs incurred by Beneficiaries in enforcing this All-Inclusive Deed of Trust or the Note secured hereby is permitted by law.

Notwithstanding any provision to the contrary herein contained, Beneficiaries agree that, in the event of a foreclosure of this All-Inclusive Deed of Trust, Beneficiaries may, at the Trustee's sale, credit bid an amount not exceeding the amount representing the total amount then due under the Note secured hereby plus any advances or other disbursements which Beneficiaries may, by law, be permitted to include in the bid, less the then actual total balance due upon the prior Note secured by the prior Deed of Trust having priority over this All-Inclusive Deed of Trust and encumbering the above described real property or any portion thereof. The Trustee may rely on any statements received from Beneficiaries as to the unpaid total balance, advances, or disbursements; and such statements shall be deemed binding and conclusive as between Beneficiaries and Trustors, on the one hand, and Trustee, on the other hand, to the extent of such reliance.

5. The following covenants Nos. 1, 2(\$ N/A), 3, 4(11%), 5, 6, 7(Reasonable), 8 and 9 of Section 107.030 NRS are hereby adopted and made a part of this Deed of Trust.

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

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

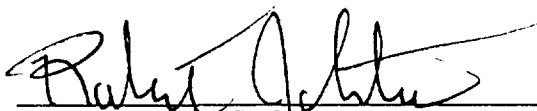
8. The Trustors hereby covenant and agree that neither the acceptance nor existence, now or hereafter, of any other security for the indebtedness secured hereby, nor the release thereof, shall operate as a waiver of the security of this Deed of Trust, nor shall this Deed of Trust, nor its satisfaction, nor a reconveyance made hereunder, operate as a waiver of such other security now held or hereafter acquired.

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 Trustors, Grantors, Trustee or Beneficiaries, 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 Trustors or Grantors 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 Beneficiaries to be invalid, such sale shall not exhaust the power of sale, and the Trustee, at the request of the Beneficiaries, may proceed anew with the sale of

this property, in order to enforce fully the provisions of this Deed of Trust.

10. Said Trustors agree 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.

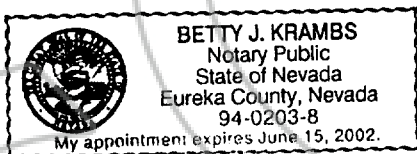
IN WITNESS WHEREOF, the said Trustors have executed these presents the day and year first above written.

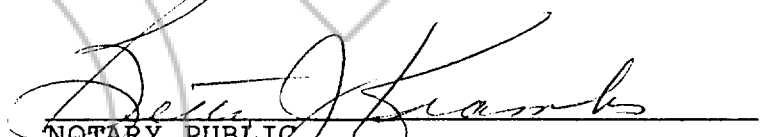

ROBERT JOHNSTON


SANDRA JOHNSTON

STATE OF NEVADA)
 : SS.
COUNTY OF Eureka)

This instrument was acknowledged before me on 5/23, 1999, by ROBERT JOHNSTON and SANDRA JOHNSTON.




NOTARY PUBLIC

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OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
Stewart Title
99 MAY 27 PM 3:13
EUREKA COUNTY NEVADA
M.H. REBALEATI, RECORDER
FILE NO. **172252** FEES **13.00**