

Return to: Ross Eardley

179409

APN 007-370-45

SECOND DEED OF TRUST

THIS SECOND DEED OF TRUST, made as of the 30th day of October, 2002, by and between OWEN J. MIER and CHERYL MILLER, husband and wife, as Grantors, STEWART TITLE OF NORTHEAST NEVADA, a Nevada Corporation, as Trustee; and RUBY HILL RANCH, LLC, a Nevada Limited Liability Company, as "Beneficiary";

WITNESSETH:

That Grantor hereby grant, transfer and assign to the Trustee in trust, with power of sale, all of the following described property situate in the County of Eureka, State of Nevada:

Parcel 4 as shown on that certain Division of Land into Large Parcels Map filed in the Office of the County Recorder of Eureka County, State of Nevada, on November 1, 2000, as File No. 175607, being a portion of Sections 21 and 28, Township 20 North, Range 53 East, MDB&M.

EXCEPTING FROM that portion lying within the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 28 an undivided one-half ($\frac{1}{2}$) interest in and to all oil and gas lying in and under said land as reserved by ANGEL CAROL FLORIO BERVILER in Deed recorded August 20, 1964, in Book 5, Page 339, Official Records, Eureka County, Nevada.

FURTHER EXCEPTING FROM that portion lying within Lots 3, 4, 5, 6, 12, 13, 14 and 15 of Section 21, all the oil and gas lying in and under said land as reserved by the United States of America in patents recorded September 21, 1964, in Book 5, Page 58 and December 30, 1965, in Book 9, Page 422, Official Records, Eureka County, Nevada.

FURTHER EXCEPTING FROM that portion lying within Lots 3, 4, 5, 6, 12, 13, 14 and 15 of Section 21, one-half of mineral rights, oil or gas as reserved by EDWIN C. BISHOP and LETA B. BISHOP, his wife, in Deed recorded August 23, 1978, in Book 65, Page 317, Official Records, Eureka County, Nevada.

FURTHER EXCEPTING FROM all of the above described land an undivided 25% interest in and to all minerals of every kind, nature and description lying in and under said land as conveyed to IVAN L. SMART, an unmarried man, in Deed recorded May 2, 1994, in Book 268, Page 463, and re-recorded May 5, 1994, in Book 269, Page 12, Official Records, Eureka County, Nevada.

SUBJECT all taxes and assessments, reservations, exceptions, easements, rights of way, covenants, conditions, restrictions, terms, liens, charges and licenses affecting the property of record.

TOGETHER with all buildings and improvements thereon, including the water well pump and motor and pivot system on said property.

ROSS P. EARDLEY

ATTORNEY AT LAW
469 IDAHO STREET
ELKO, NEVADA 89801

TELEPHONE (775) 738-4046 • FAX (775) 738-6286

BOOK 354 PAGE 026

JUSTICE

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TOGETHER with the following water rights appurtenant to said property:
371.22 acreet from Well No. 5, Permit No. 23738, as issued by the State Engineer, Dartment of Water Resources, State of Nevada.

TOGETHER with all mineral rights owned by the first party, if any.

TOGETHER with all and singular the tenements, hereditaments, easements and appurtenans thereunto belonging or in anywise appertaining, and the reversions, mainders, rents, issues and profits thereof, or any part thereof.

TO HAVE AND TO HOLD the same unto the said Trustee and its successors, in trust, to secure the performan of the following obligations, and payment of the following debts:

ONE: Pment of an indebtedness evidenced by a certain Promissory Note dated October 30, 20, in the principal amount of TWENTY THOUSAND ONE HUNDRED SIXTEEN AND 40/100 DOLLAR (\$20,116.40), together with interest thereon at the rate of 8% per annum from the date of said Note til paid, and including expenses, penalties (if applicable), attorneys' fees and other payments thereprovided, executed and delivered by the Grantors payable to the Beneficiary or order, and any and extensions, revisions and amendments of the above, which Promissory Note is made a part hereo

TWO: Pment of all other sums with interest thereon, if any, becoming due or payable under the provisions reeof to either Trustee or Beneficiary.

THREE: Pment, performance and discharge of each and every obligation, covenant, promise and agreemt of Grantors herein or in said Promissory Note contained and of all renewals, extensions, revisionsnd amendments of the above described Promissory Note and any other indebtedness or obliions secured hereby.

FOUR: Caining and paying the premiums on any required insurance and paying all taxes and assessments on subject property.

It is understood that this Deed of Trust is second and subordinate to a first Deed of Trust dated December 11, 00, executed by Ruby Hill Ranch, LLC, a Nevada Limited Liability Company, and in favor of Neva Bank & Trust; which Deed of Trust was recorded on December 14, 2000, in Book 339 of Official rords, Page 144, Document No. 175669, in the Office of the Eureka County Recorder, Eureka, Nada. Said first Deed of Trust was given to secure the payment of a Promissory Note of even date thwith in favor of Nevada Bank & Trust Company, Elko, Nevada, in the original face amount of \$41,023, and with a principal balance now owing of \$36,977.60. It is understood that the Grantors heri have assumed the payment of the obligation secured by said first Deed of Trust. If the Grantors rein default in any of the payments required in connection with the obligation secured by said first ed of Trust, or otherwise default in the performance of any of the covenants or conditions requireif them in connection with the obligation secured by said first Deed of Trust, the Beneficiary herei without demand or notice, may correct said default and make any payment or incur any expenses ich may be required in connection with said first Deed of Trust; and the Beneficiary herein sh be the sole judge as to the necessity of correcting said default and as to the amount of payment other expenses necessary to correct the same. Thereafter, the Grantors herein, upon demand of the neficiary herein, shall reimburse the Beneficiary herein for all such expenses incurred or all sums money paid or advanced in connection with satisfying said default, together with interest thereon from the date of payment by the Beneficiary herein, until repaid, at the rate of 8% per annum, and all such ms of money, with interest as aforesaid, shall, until reimbursed, be added to and become part of obligation secured by this Deed of Trust. Upon the failure of the Grantors to make said reimbursent upon demand as set forth above, the Beneficiary herein may declare a

default in this Deed of Trust and may proceed to exercise any remedies available to it as provided in case of default of Deed of Trust.

It is understood and agreed that any default in said first Deed of Trust shall be deemed a default in this Deed of Trust, and in the event of such default in said first Deed of Trust, the Beneficiary may exercise any rights or remedies for foreclosure or otherwise under this Deed of Trust.

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

1. The following covenants, Nos. 1, 2(insurable value), 3, 4(8%), 5, 6(which covenant is 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 deficiency in performance of this Second Deed of Trust), 7(renewable), 8 and 9 of NRS 107.030, are hereby adopted and made a part of this Second Deed of Trust.

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

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

4. In case of condemnation of the property subject hereto, or any part thereof, by paramount authority, of any condemnation award to which the Grantors shall be entitled, less costs and expenses of litigation, is hereby assigned by Grantors to the Beneficiary, to the extent the Beneficiary is entitled hereto, 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.

5. Any notices to be given to the Grantors shall be sent by registered or certified letter to the Grantors at the address set forth near the signatures in this document, or at such substitute address as Grantors may designate in writing duly delivered to the Beneficiary and the Trustee. Such address shall be deemed conclusively to be the correct address of Grantors for all purposes in connection with this document, including, but not limited to, giving of notices permitted or required by statute to be mailed to Grantors.

6. All of the provisions of this instrument shall inure to the benefit of and bind the heirs, legal representatives, successors and assigns of each party hereto respectively as the context permits. The word "Grantors" and any reference thereto shall include the masculine, feminine and neuter genders and the singular and plural as indicated by the context and number of parties hereto.

7. The Grantors shall not remove, damage or demolish any buildings or other improvements unless the Beneficiary gives prior consent in writing, and the building or improvement is immediately replaced with one of equal or greater value. The Grantors shall not cause or permit any waste or deterioration of the property, nor permit the security to be lessened, diminished, depleted or impaired.

The Grantors further agree during the term hereof to maintain the farmland and cultivated areas hereto sold in good working condition and to operate the same in a good farmerlike manner in accordance with the farming practices and customs in the surrounding community to the end that the security hereof is not lessened, diminished or depleted.

8. The Grantors shall put to beneficial use all water and water rights and shall maintain and protect all water, water rights and water permits in connection with the above described property, and

shall not by any act commission or omission do anything to lessen or jeopardize the said water, water rights and water permits as set forth above.

9. It is expressly agreed that the trusts created hereby are irrevocable by the Grantors.

10. The commencement of any proceedings under the bankruptcy or insolvency laws by or against the Grantor or the makers of the Promissory Note secured hereby, or the appointment of a receiver for any of the assets of the Grantors hereof or the makers of the Promissory Note secured hereby, or the making by the Grantors or the makers of the Promissory Note secured hereby of a general assignment for the benefit of creditors, shall, at the election of the Beneficiary, constitute a default under this instrument.

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

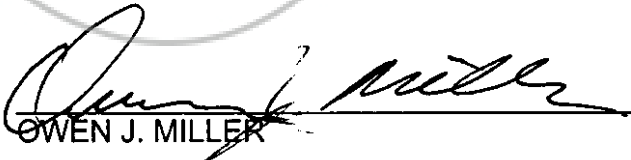
12. The property shall include all buildings, improvements, fences and irrigation equipment on or associated with the property.

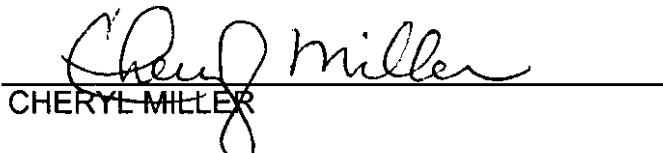
13. Grantors hereby give and assign to Beneficiary, upon default in payment of any debts secured hereby or in the performance of this Second Deed of Trust, all the rents, issues and profits of the property; RESERVING UNTO GRANTORS HOWEVER, the right, prior to any default by Grantors in payment any indebtedness secured hereby or in the performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time, after the recording of a Notice of Default and Election to Sell, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, and in Beneficiary's own name sue for or otherwise collect such rents, issues and profits (including those past due and unpaid), and apply the same, less costs and expenses of operation and collection (including reasonable attorney fees), upon any indebtedness secured hereby, and such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall incur or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

14. The Grantors consent and agree that a receiver of the property subject to this Second Deed of Trust may be appointed upon application of the Trustee or Beneficiary at any time after the recording of a Notice of Default and Election to Sell with or without a showing of statutory grounds.

15. So long as there is any balance owing in connection with this Second Deed of Trust, the Grantors shall not sell, assign or transfer any interest in the property described herein without the prior written consent of the Beneficiary. If all or any part of the property is sold without said written consent, the Beneficiary may, at its option, declare this Second Deed of Trust in default and all sums secured hereby immediately due and payable.

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


OWEN J. MILLER


CHERYL MILLER

shall not by any of commission or omission do anything to lessen or jeopardize the said water, water rights and ter permits as set forth above.

9. It expressly agreed that the trusts created hereby are irrevocable by the Grantors.

10. The commencement of any proceedings under the bankruptcy or insolvency laws by or against the Grantors or the makers of the Promissory Note secured hereby, or the appointment of a receiver for any the assets of the Grantors hereof or the makers of the Promissory Note secured hereby, or the filing by the Grantors or the makers of the Promissory Note secured hereby of a general assignment for the benefit of creditors, shall, at the election of the Beneficiary, constitute a default under this instrument.

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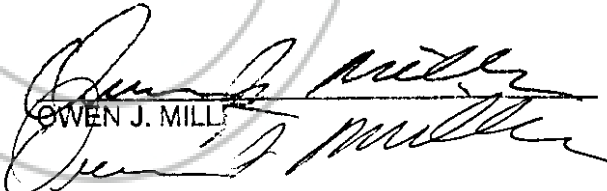
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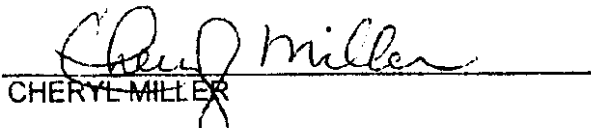
13. Grantors hereby give and assign to Beneficiary, upon default in payment of any debts secured hereby in the performance of this Second Deed of Trust, all the rents, issues and profits of the property; ~~RESERVING UNTO GRANTORS HOWEVER,~~ the right, prior to any default by Grantors in payment of any indebtedness secured hereby or in the performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default Beneficiary may at any time, after the recording of a Notice of Default and Election to Sell, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property any part thereof, and in Beneficiary's own name sue for or otherwise collect such rents, issues and profits (including those past due and unpaid), and apply the same, less costs and expenses of operations and collection (including reasonable attorney fees), upon any indebtedness secured hereby and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

14. The Grantors consent and agree that a receiver of the property subject to this Second Deed of Trust may be appointed upon application of the Trustee or Beneficiary at any time after the recording of a Notice of Default and Election to Sell with or without a showing of statutory grounds.

15. So long as there is any balance owing in connection with this Second Deed of Trust, the Grantors shall not sell, assign or transfer any interest in the property described herein without the prior written consent of the Beneficiary. If all or any part of the property is sold without said written consent, the Beneficiary may, at its option, declare this Second Deed of Trust in default and all sums secured hereby immediately due and payable.


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


 OWEN J. MILLER


 CHERYL MILLER

STATE OF)
 : SS.
COUNTY OF)

This instrument was acknowledged before me on October 16, 2002, by OWEN J. MILLER and CHER MILLER.



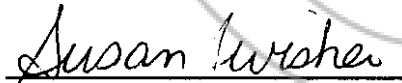
NOTARY PUBLIC
Commission Expires 7/18/06

Grantors' Address:
266 Swartzel Loop Road
Staunton, Virginia 24401

Beneficiary's Address:
19 W. Hannum Blvd.
Saginaw, Michigan 48602

STATE OF VIRGINIA
COUNTY OF AUGUSTA

THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS 14th DAY OF OCTOBER, 2002
BY CHERYL MILLER



NOTARY PUBLIC

MY COMMISSION EXPIRES 8/31/03



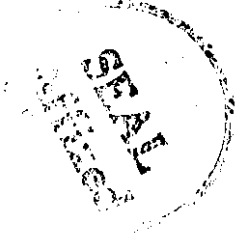
STATE OF *NV*
COUNTY OF *Austin* SS. *227028171*

This instrument was acknowledged before me on November *5th*, 2002, by OWEN J. MILLER.

Susan Swisher
NOTARY PUBLIC

My Commission expires
8/31/03

COOPY



BOOK *354* PAGE *26*
OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
Stewart Title
02 NOV 13 AM 9:40

CLERK OF COUNTY NEVADA
M.N. REBALEATI, RECORDER
FILE NO. FEES *20⁰⁰*