

DEED OF TRUST AND ASSIGNMENT OF RENTS

ESCROW No. ~~9507107-EB~~
9507107-EB

LOAN No. ~~9507107-EB~~
9507107-EB

THIS DEED OF TRUST is hereby made among the Grantor, ROSETTA S. SHERMAN AND DALE R. SHERMAN, HUSBAND AND WIFE AS JOINT TENANTS (borrower/trustor), the Beneficiary ALLAN GOLDSTEIN, AN UNMARRIED MAN (herein "lender") and CHARLES J. LYBARGER, (herein "trustee").

BORROWER, in consideration of the indebtedness herein recited and the trust herein created, irrevocably grants and conveys to Beneficiary, in trust, with power of sale, the following described property located in the County of LINCOLN, State of NEVADA:

APN# 01-112-20

LEGAL DESCRIPTION ATTACHED HERETO AND MADE A PART HEREOF AS EXHIBIT "A".

which has the address of (herein "property address"); 01-112-20, PLOCHÉ, NEVADA TOGETHER with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents (subject however to the rights and authorities given herein to lender to collect and apply such rents), royalties, mineral, oil and gas rights and profits, water, water rights and water stock, and all fixtures now or hereafter attached to the property, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the property covered by this Deed of Trust; and all of the foregoing, together with said property (or the leasehold estate if the Deed of Trust is on a leasehold) are herein referred to as the "Property";

TO SECURE to Lender (a) the repayment of the indebtedness evidenced by Borrower's note of even date (herein "Note"), in principal sum of \$15,000.00 with interest hereon, providing for monthly installments of principal and interest to Nevada Title Company, a Title Company directed by the Lender with the balance of the indebtedness, if not sooner paid, due and payable until paid in full; the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Deed of Trust, and the performance of the covenants and agreements of Borrower herein contained; and (b) the repayment of any future advances, with interest thereon, made to Borrower by Lender pursuant to paragraph 20 hereof (herein "future Advances").

Borrower covenants that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property, that Property is unencumbered and that Borrower will warrant and defend generally the title to the Property against all claims and demands, subject to any declarations, easements or restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Lender's interest in the Property.

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UNIFORM COVENANTS

Borrower and Lender covenant and agree as follows:

1. **Payment of principal and interest.** Borrower shall promptly pay when due the principal and interest on the indebtedness evidenced by the Note, prepayment and late charges as provided in the Note, and the principal and interest on any Future Advances secured by this Deed of Trust.

2. **Funds for taxes and insurance.** Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly payments are due under the Note, until the Note is paid in full, a sum ("funds") for: (a) yearly taxes and assessments which may attain priority over this Security Instrument as lien on the Property; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard or property insurance premiums; (d) yearly flood insurance premiums, if any; (e) yearly mortgage insurance premiums, if any; and (f) any sums payable by Borrower to Lender, in accordance with the provisions of paragraph 8, in lieu of the payment of mortgage insurance premiums. These items are called "Escrow Items". Lender may, at any time, collect and hold Funds for payment of Escrow Items. Lender may estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow items or otherwise in accordance with applicable law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity, or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items. Lender may not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. However, Lender may require Borrower to pay a one-time charge for an independent real estate tax reporting service used by Lender in connection with this loan, unless applicable law provides otherwise. Borrower and Lender may agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds, showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for all sums secured by this Security Instrument.

If the Funds held by Lender exceed the amounts permitted to be held by applicable law, Lender shall account to Borrower for the excess Funds in accordance with the requirements of applicable law. If the amount of the Funds held by Lender at any time is not sufficient to pay the Escrow Items when due, Lender may so notify Borrower in writing, and, in such case Borrower shall pay to Lender the amount necessary to make up the deficiency. Borrower shall make up the deficiency in no more than twelve monthly payments, at Lender's sole discretion.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. If Lender shall acquire or sell the Property, Lender, prior to the acquisition or sale of the Property, shall apply any Funds held by Lender at the time of acquisition or sale as a credit against the sums secured by this Security Instrument.

3. **Applications of Payments.** Unless applicable law provides otherwise, all payments received by Nevada Title Company under the Note and paragraph 1 hereof, then interest payable on the Note, then to the principal of the Note, and then to interest and principal on any Future Advances.

4. **Charges; Liens.** Borrower shall pay all taxes, assessments and other charges, fines and impositions attributable to the property which may attain a priority over this Deed of Trust and leasehold payments or ground rents, if any, in the manner provided under paragraph 1 hereof or if not paid in such manner, by Borrower making payment, when due, directly to the payee thereof. Borrower shall promptly furnish to Lender receipts evidencing such payments. Borrower shall promptly discharge any such lien which has priority over this Deed of Trust, provided that Borrower shall not be required to discharge any such lien so long as Borrower shall agree in writing to the payment of the obligation secured by such lien in a manner acceptable to Lender, or shall in good faith contest such lien by or defend enforcement of such lien in legal proceedings which operate to prevent the enforcement of the lien or forfeiture of the Property or any part thereof.

5. **Hazard insurance.** Borrower shall keep the improvements now existing or hereafter

erected on the Property insured against loss by fire hazards included within the term "extended coverage" and such other hazards as Lender may require and in such amounts and for such periods as Lender may require, provided that Lender shall not require that the amount of such coverage exceed that amount of coverage required to pay the sums secured by this Deed of Trust.

The Insurance carrier providing the insurance shall be chosen by Borrower subject to approval by Lender; provided that such approval shall not be unreasonably withheld. All premiums on insurance policies shall be paid in the manner provided under paragraph 1 hereof or, if not paid in such manner, by Borrower making payment, when due, directly to the insurance carrier.

All insurance policies and renewals thereof shall be in form acceptable to Lender. Lender shall have the right to hold the policies and renewals thereof and Borrower shall promptly furnish to Lender all renewal notices and all receipts of paid premiums. In the event of loss, Borrower shall give prompt notice to the insurance carrier and to Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged provided such restoration or repair is economically feasible and the security of this Deed of Trust is not thereby impaired. If such restoration is not economically feasible or if the security by this Deed of Trust would be impaired, the insurance proceeds shall be applied to the sums secured by this Deed of Trust, with the excess, if any paid to Borrower. If the Property is abandoned by Borrower or if Borrower fails to respond to Lender within 30 days from the date notice is mailed by Lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits. Lender is authorized to collect and apply the insurance proceeds at Lender's option either to restoration or repair of the Property or to the sums secured by this Deed of Trust.

Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of the monthly installments referred to in paragraph 1 and 2 hereof or change the amount of such installments. If under paragraph 17 hereof the Property is acquired by Lender, all right, title and interest of Borrower in and to any insurance policies and in and to the proceeds thereof resulting from damage to the Property prior to the sale or acquisition shall pass to Lender to the extent of the sums secured by this Deed of Trust immediately prior to such sale or acquisition.

6. Preservation and maintenance of Property: Leaseholds: Condominiums: Planned Unit Developments. Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property and shall comply with the provisions of any lease if this Deed of Trust is on a leasehold. If this Deed of Trust is on a unit in a condominium or a planned unit development, Borrower shall perform all of Borrowers obligations under the declaration of covenants creating or governing the condominium or planned unit development, the bylaws and regulations of the condominium or planned unit development and constituent documents. If a condominium or planned unit development rider is executed by Borrower and recorded together with this Deed of Trust the covenants and agreements of this Deed of Trust shall be as if the rider were a part hereof.

7. Protection of Lender's security. If Borrower fails to perform the covenants and agreements contained in this Deed of Trust or if any action or proceeding is commenced which materially affects Lender's interest in the Property including, but not limited to eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent then Lender at Lender's option upon notice to Borrower, may make such appearances, advancements and disbursements of such sums, and take any such action necessary to protect Lender's interest, including but not limited to disbursement of reasonable attorney's fees, funds for taxes, liens, levies or property insurance, and action such as entry upon the Property to make repairs. If Lender required mortgage insurance as a condition of making the loan secured by this Deed of Trust, Borrower shall pay the premiums required to maintain such insurance in effect until such time as the requirement for such insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law.

Any amounts disbursed by Lender pursuant to this paragraph 6, with interest thereon and advancement fees (if applicable) added thereto, shall become additional indebtedness of Borrower secured by this Deed of Trust. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof and shall bear interest from the date of disbursement at the rate payable from time to time on

outstanding principal under the Note unless payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate permissible under applicable law. Nothing contained in this paragraph 6 shall require Lender to incur any expense or take any action hereunder.

8. Inspection. Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause thereof related to Lender's interest in the Property.

9. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Deed of Trust, with the excess, if any, paid to Borrower. In the event of a partial taking of the Property, unless Borrower and Lender otherwise agree in writing, there shall be applied to the sums secured by this Deed of Trust such proportion of the proceeds as is equal to that proportion which the amount of the sums secured by this Deed of Trust immediately prior to the date of taking bears to the fair market value of the Property immediately prior to the date of taking, with the balance of the proceeds paid to Borrower.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date such notice is mailed, Lender is authorized to collect and apply the proceeds, at Lender's option either to restoration or repair of the Property or to the sums secured by this Deed of Trust.

Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of the monthly installments referred to in paragraph 1 hereof or change the amount of such installments.

10. Borrower not released. Extension of the time for payment or modification of amortization of the sums secured by this Deed of Trust granted by Lender to any successor in interest of Borrower shall not operate to release, in any manner, the liability of the original Borrower and Borrower's successors in interest. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Deed of Trust by reason of any demand made by the original Borrower and Borrower's successors in interest.

11. Forbearance by Lender not a waiver. Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Deed of Trust.

12. Remedies cumulative. All remedies provided in this Deed of Trust are distinct to any other right or remedy under this Deed of Trust or afforded by law or equity, and may be exercised concurrently, independently or successively.

13. Successors and assigns bound; joint and several liability; captions. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower, subject to provisions of paragraph 16 hereof. All covenants and agreements of Borrower shall be joint and several. The captions and headings of the paragraphs of this Deed of Trust are for convenience only and are not to be used to interpret or define the provisions hereof.

14. Notice. Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Deed of Trust shall be given by mailing such notice by certified mail addressed to Borrower at the Property address or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by certified mail, return receipt requested, to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Deed of Trust shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

15. Uniform Deed of Trust; governing law; severability. This form of deed of trust combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property. This Deed of Trust shall be governed by the law of the jurisdiction in which the Property is located. In the

event that any provision or clause of this Deed of Trust or the Note conflicts with applicable law, such conflicting provision, and to this end the provisions of the Deed of Trust and the Note are declared to be severable.

16. **Borrower's copy.** Borrower shall be furnished a conformed copy of the Note and of this Deed of Trust at the time of execution of after recordation hereof.

17. **Transfer of the Property; assumption.** If all or any part of the Property or an interest therein is sold or transferred by Borrower without Lender's prior written consent, excluding (a) the creation of a lien or encumbrance subordinate to this Deed of Trust, (b) the creation of a purchase money security interest for household appliances, (c) transfer by devise, descent or by operation of law upon the death of a joint tenant or (d) the grant of any leasehold interest of three years or less not containing an option to purchase. Lender may at Lender's option, declare all the sums secured by this Deed of Trust to be immediately due and payable. Lender shall have waived such option to accelerate if, prior to the sale or transfer, Lender and the party to whom the Property is to be sold or transferred reach agreement in writing that the credit of such person is satisfactory to Lender and that the interest payable on the sums secured by this Deed of Trust shall be at such rate as lender shall request. If Lender has waived the option to accelerate provided in this paragraph 16, and if Borrower's successor in interest has executed a written assumption agreement accepted in writing by Lender, Lender shall release Borrower from all obligations under this Deed of Trust and the Note.

If Lender exercises such option to accelerate, Lender shall mail to Borrower notice of acceleration in accordance with paragraph 13 hereof. Such notice shall provide a period of not less than 30 days from the date of mailing of the notice within which Borrower may pay the sums declared due. If Borrower fails to pay such sums prior to the expiration of such period, Lender may, without further notice or demand on Borrower, invoke any remedies permitted by paragraph 17 hereof.

NON-UNIFORM COVENANT-Borrower and Lender further covenant and agree as follows:

18. **Acceleration; remedies.** Except as provided in paragraph 16 hereof, upon Borrower's breach of any covenant or agreement of Borrower in this Deed of Trust, including the covenants to pay when due any sums secured by this Deed of Trust. Lender prior to acceleration shall mail notice to Borrower as provided in paragraph 14 hereof specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, not less than 30 days from the date of the notice is mailed to Borrower, by which such breach must be cured; and (4) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Deed of Trust and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale. If the Breach is not cured on or before the date specified in the notice, Lender at Lender's option may declare all of the sums secured by this Deed of Trust to be immediately due and payable without further demand and may invoke the power of sale and other remedies permitted by applicable law. Lender shall be entitled to collect all reasonable costs and expenses incurred in pursuing the remedies provided in the paragraph 17, including but not limited to reasonable attorney's fees.

If Lender invokes the power of sale, Lender shall execute or cause the property to be sold, and shall cause such notice to be recorded in each county in which the property or some part thereof is located. Lender shall mail copies of such notice in the manner prescribed by applicable law. Trustee, without demand on Borrower, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in such order as Trustee may determine. Trustee may postpone sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale. Lender or Lender's designee may purchase the property at any sale.

Trustee shall deliver to the purchaser trustee's deed conveying the Property so sold without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order; (a) to all reasonable costs and expenses of the sale, including, but not limited to, reasonable Trustee's and attorney's fees and costs of title evidence; (b) to all sums secured by this Deed of Trust; and (c) the excess, if any, to the person or persons legally entitled thereto.

19. **Borrower's right to reinstate.** Notwithstanding Lender's acceleration of the sums

secured by this Deed of Trust, Borrower shall have the right to have any proceedings begun by Lender to enforce this Deed of Trust discontinued at any time prior to the earlier to occur of the thirty-fifth day after notice of default pursuant to this Deed of Trust or an entry of judgement enforcing this Deed of Trust if (a) Borrower pays Lender all sums which would then be due under this Deed of Trust, the Note, and Notes securing advances, if any, and no acceleration occurred and; (b) Borrower cures all breaches of any other covenants or agreements of Borrower contained in this Deed of Trust; and (c) Borrower pays all reasonable expenses incurred by Lender and Trustee in enforcing the covenants and agreements of Borrower contained in this Deed of Trust and in enforcing Lender's and Trustee's remedies as provided in paragraph 17 hereof, including but not limited to reasonable attorney's fees; and (d) Borrower takes such action as Lender may reasonably require to assure the lien of this Deed of Trust. Lender's interest in the Property and Borrower's obligation to pay the sums secured by this Deed of Trust shall continue unimpaired. Upon such payment and cure by Borrower, this Deed of Trust and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

20. Assignment of rents; appointment of receiver; Lender in possession. As security hereunder, Borrower hereby assigns to Lender the rents of the Property, provided that Borrower shall, prior to acceleration under paragraph 17 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

Upon acceleration under paragraph 17 hereof or abandonment of the Property, Lender, in person, by agent or by judicially appointed receiver, shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. All rents collected by Lender or the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to receiver's fees, premiums on receiver's bonds and reasonable attorney's fees, and then to the sums secured by this Deed of Trust. Lender and receiver shall be liable to account only for those rents actually received.

21. Future advances. Upon request of Borrower, Lender, at Lender's option, prior to full reconveyance of the Property by Trustee to Borrower, may make future advances to borrower. Such future advance, with interest thereon, shall be secured by this Deed of Trust when evidenced by promissory notes stating that said notes are secured hereby.

22. Reconveyance. Upon payment of all sums secured by this Deed of Trust, Lender shall request Trustee to reconvey the Property and shall surrender this Deed of Trust and all notes evidencing indebtedness secured by this Deed of Trust to Trustee. Trustee shall reconvey the Property without warranty to the person or persons legally entitled thereto. Such person or persons shall pay all fees of reconveyance and recordation, if any.

23. Substitute Trustee. Lender, at Lender's option, may from time to time remove Trustee and appoint a successor trustee to any trustee appointed hereunder. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon the Trustee herein and by applicable law.

24. Homestead Provision. The Trustor and executor of this Deed of Trust waives any and all rights they may have under the homestead law of the state in which the property is located, and any recorded Homestead shall be subordinate and junior to any evidence of indebtedness secured by this Deed of Trust.

25. Attorneys fee provision. Borrower agrees to pay to Lender or its assignees, on demand, all costs and expenses, including reasonable attorney's fees incurred by Lender or its assignees, in the preservation, realization, enforcement and exercise of their rights, powers and remedies and obligation of the borrower hereunder whether a lawsuit is filed or not.

26. Trust deed management provision. Borrower agrees that upon default, Investor Services Corporation, a Nevada Corporation, shall have the option to be named Trustee in this deed of trust, and shall be compensated for acting in such capacity. Borrower further agrees that Trustee fee upon default shall not be less than one percent (1%) of the outstanding loan balance, or \$250.00, whichever is greater. Borrower further agrees that Trustee may incur reasonable foreclosure fees and attorney's fees in addition to the Trustee fee, and that the Borrower shall be liable for all such fees.

27. Maturity/Demand provision. After maturity without renewal, or after demand, the rate of interest on any unpaid balance of principal shall be 24%, both before and after judgement.

28. Interest guaranteed upon prepayment. All interest guaranteed to the Lender in

the note secured by this Deed of Trust shall be due and payable if the loan is paid off by any means whatsoever, including but not limited to curing the loan by foreclosure.

29. **Assumption fee.** If there is an assumption pursuant to above paragraphs, Lender may charge an assumption fee of not less than 2% of the original amount of the Note and Deed of Trust.

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IN WITNESS WHEREOF, BORROWER(S) HAS EXECUTED THIS DEED OF TRUST.

Rosetta S. Sherman 8/15/95
ROSETTA S. SHERMAN date

Dale R. Sherman
DALE R. SHERMAN date

STATE OF NEVADA)
SS:)
COUNTY OF CLARK)

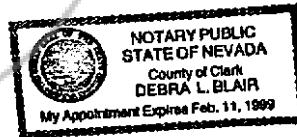
ON 8/15/95 PERSONALLY APPEARED BEFORE ME, A NOTARY PUBLIC

Rosetta S. SHERMAN and
Dale R. SHERMAN.

Personally known (or proved) to me to be the person(s) whose name(s) is subscribed to the above instrument who acknowledged that they executed the instrument.

SEAL:

NOTARY PUBLIC
Debra L. Blair



REQUEST FOR RECONVEYANCE

To Trustee:

The undersigned is the holder of the note or notes secured by this Deed of Trust. Said note or notes, together with all other indebtedness secured by this Deed of Trust, have been paid in full. You are hereby directed to cancel said note or notes and this Deed of Trust, which are delivered hereby, and to reconvey, without warranty, all the estate now held by you under this Deed of Trust to the person or persons legally entitled thereto.

Date:

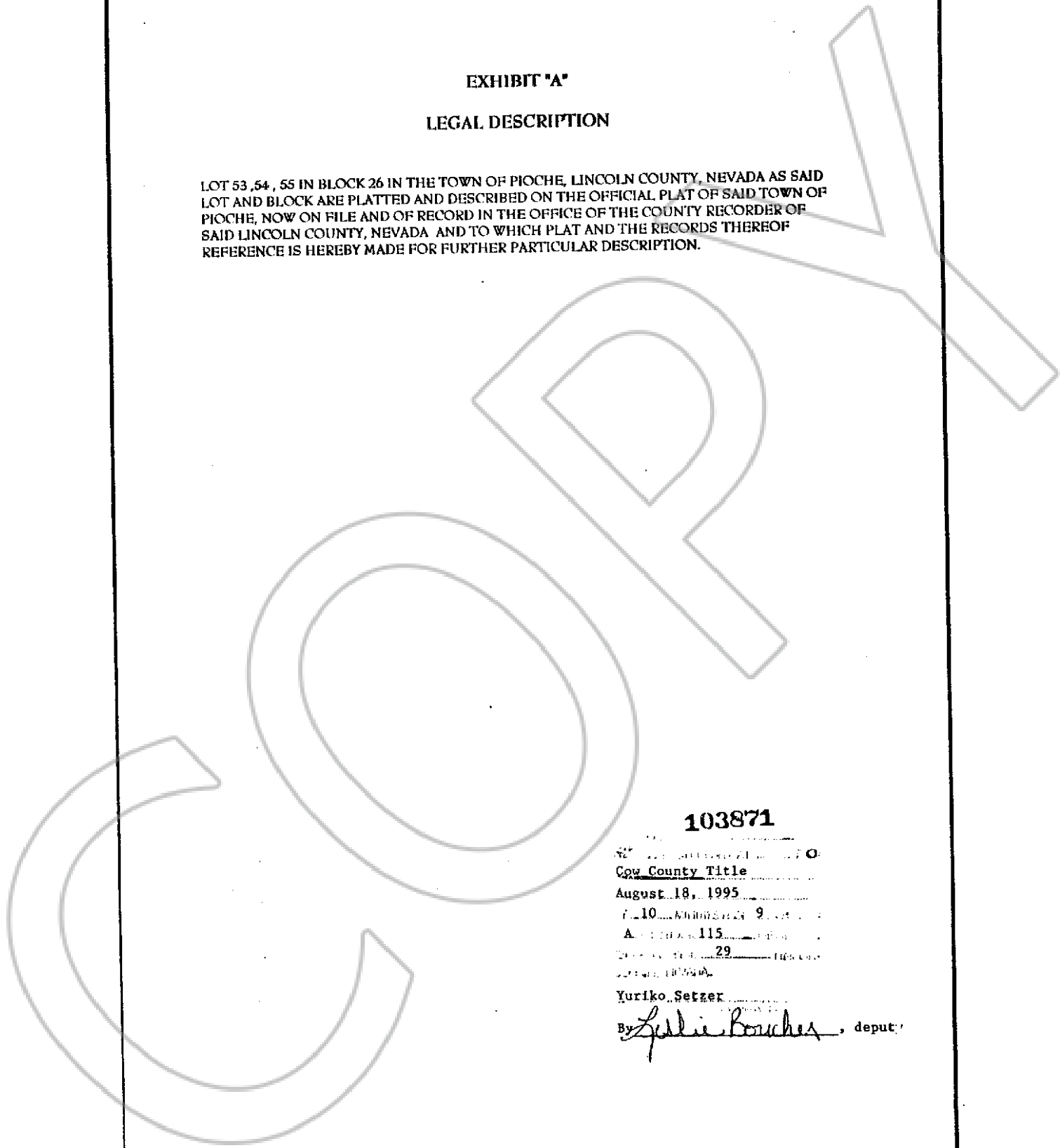
When recorded, please return to:

CHARLES LYBARGER
520 SOUTH 4TH ST.
SUITE 320
LAS VEGAS, NV. 89101

Space below reserved for recorder

EXHIBIT "A"
LEGAL DESCRIPTION

LOT 53, 54, 55 IN BLOCK 26 IN THE TOWN OF PIOCHE, LINCOLN COUNTY, NEVADA AS SAID LOT AND BLOCK ARE PLATTED AND DESCRIBED ON THE OFFICIAL PLAT OF SAID TOWN OF PIOCHE, NOW ON FILE AND OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF SAID LINCOLN COUNTY, NEVADA AND TO WHICH PLAT AND THE RECORDS THEREOF REFERENCE IS HEREBY MADE FOR FURTHER PARTICULAR DESCRIPTION.



103871

Lincoln County Recorder
Cov County Title
August 18, 1995
Book 10
Page 115
Section 29

Yuriko Setzer
By Julie Boucher, deputy