

AGREEMENT-CONVEYANCE OF DEED TO LENDER IN LIEU OF FORECLOSURE

This agreement is made and executed on this 9th day of July, 1997,
by Jack W. Herdt, of Pioche, Lincoln County, State of Nevada, referred to as grantor, and Jean W. Esley,
of Caliente, Lincoln County, State of Nevada, referred to as lender.

RECITALS

A. Grantor is the owner of real property located at 131 CLOVER ST.
Caliente, Lincoln County, State of Nevada, which is more fully described as follows:

LOTS 13 AND 14 IN BLOCK 9 OF CALIENTE, AS SHOWN ON THE OFFICIAL
MAP THEREOF RECORDED NOVEMBER 10, 1904 IN THE BOOK OF PLATS,
PAGE 36 AND AS SHOWN ON THE COMPLIED MAP OF CALIENTE, LINCOLN
COUNTY, NEVADA FILED IN THE BOOK OF PLATS, PAGE 47, LINCOLN
COUNTY, NEVADA RECORDS.

B. On January 26, 1996, grantor executed and delivered to lender a promissory note in
the amount of one hundred eighty thousand Dollars (\$180,000.00) as security for the real estate described
above. A deed of trust was executed on January 26, 1996, conveying the property to Jean W. Esley of the
county in which the property is located. The deed of trust, Number 104844, was recorded on
Feb. 25, 1996, in Book 117, page 446 of the records of the COUNTY RECORDER of
Lincoln County, State of Nevada.

C. Grantor defaulted on his mortgage payments required by the promissory note and
deed of trust on July 1, 1997. Grantor desires to convey to lender the property described above as
consideration for lender's release of grantor from the covenants to pay principal and interest under the
promissory note and deed of trust, and from all security agreements, financing statements, claims and
demands with respect to the property.

D. Lender desires to accept the conveyance of the property, and will release grantor
from the covenants for payment of principal and interest under the promissory notes, deed of trust, and
from all claims and demands respecting the property.

Therefore, the parties agree as follows:

SECTION ONE

RIGHT OF REDEMPTION

Grantor acknowledges that he enters into this agreement of his own free will. Grantor also acknowledges that the release from his obligation under the promissory note and deed of trust constitutes valid consideration for conveyance of the deed. Grantor further acknowledges that on conveyance of the deed he will have no right of redemption of the property, and will be estopped from asserting any claim to redemption against the property.

SECTION TWO

IMPACT OF BANKRUPTCY

1. Grantor represents that he is not subject to any bankruptcy proceeding, assignment for benefit of creditors, or similar proceedings, and has not committed any act of bankruptcy. On conveyance of the property, grantor further represents that he will not become bankrupt or insolvent, and that conveyance of the property will not constitute a preferential transfer under bankruptcy law.
2. The parties understand and agree that if a bankruptcy proceeding is brought by or against grantor, or grantor is adjudged a bankrupt within 12 months of the date on which the ~~deed~~ ^{CONVEYANCE} deed is delivered, lender may at its sole option reconvey the property to grantor or the bankruptcy trustee, and may proceed with foreclosure or any other remedy available to it under the promissory note and deed of trust. Lender shall cancel and deliver the promissory note and deed of trust only if no such bankruptcy proceedings are brought by or against grantor, and no other proceedings affecting title are brought or threatened within the 12 month period.

SECTION THREE

QUIT CLAIM DEED

Within 2 days from execution of this agreement, grantor will execute and deliver to lender a quit claim deed conveying the property described above to lender.

SECTION FOUR

AGREED PROPERTY VALUE

The property to be conveyed to lender by grantor has an agreed value of \$200,000.00

SECTION FIVE

WAIVER OF STATUTORY RIGHTS

Grantor waives any right he may have had to lease or buy back property pursuant to any statute or agreement, or to redeem such property as an agricultural homestead real estate pursuant to any statute or agreement.

July 8, 1997
L. Michele Hales
Notary Public
County of Lincoln - State of Nevada
L. Michele Hales
My Appointment Expires
May 12, 2001

Jack W Herdt
JACK W. HERDT

Jean W Esley
JEAN W. ELSEY

NO. **109421**

Filed And Recorded At Request Of
JEAN W. ESLEY
JULY 18, 1997
At 14 Minutes Past 4 O'Clock
P M In Book 129 Of Official Records
Page 256 Lincoln County Nevada.

YURIKO SETZER
County Recorder

By *Lellie Boucher*, DEPUTY