

UNIFORM COMMERCIAL CODE—FINANCING STATEMENT CHANGE—FORM N-UCC-2 STATE OF NEVADA
IMPORTANT—Read instructions on back before filling out form

FINANCIAL FORMS DEPARTMENT
DIAMOND INTERNATIONAL CORPORATION
P.O. BOX 4000 • RENO, NEVADA 89508

This STATEMENT is presented for filing pursuant to the Nevada Uniform Commercial Code

1. FILE NO. OF ORIG. FINANCING STATEMENT 168508	1A. DATE OF FILING OF ORIG. FINANCING STATEMENT Dec. 11, 1987	1B. DATE OF ORIG. FINANCING STATEMENT Dec. 7, 1987	1C. PLACE OF FILING ORIG. FINANCING STATEMENT Douglas County Rec.
2. DEBTOR (LAST NAME FIRST) Staffen Daryl E.		2A. SOCIAL SECURITY OR FEDERAL TAX NO. [REDACTED] 6-1589	
2B. MAILING ADDRESS 4440 Vickey Ave RT 3		2C. CITY, STATE Minden, NV	2D. ZIP CODE 89423
3. ADDITIONAL DEBTOR (IF ANY) (LAST NAME FIRST) Staffen Karen		3A. SOCIAL SECURITY OR FEDERAL TAX NO. [REDACTED] -6016	
3B. MAILING ADDRESS same		3C. CITY STATE	3D. ZIP CODE
4. SECURED PARTY NAME Nevada First Bank MAILING ADDRESS 2446 Highway 50 East CITY Carson City STATE NV ZIP CODE 89701		4A. SOCIAL SECURITY NO., FED. TAX NO. OR BANK TRANSIT AND A.B.A. NO. 88-0132948	
5. ASSIGNEE OF SECURED PARTY (IF ANY) NAME MAILING ADDRESS CITY STATE ZIP CODE		5A. SOCIAL SECURITY NO., FED. TAX NO. OR BANK TRANSIT AND A.B.A. NO.	

6. CONTINUATION—The original Financing Statement between the foregoing Debtor and Secured Party bearing the file number and date shown above is continued. If collateral is crops or timber, fixtures, or oil, gas or minerals check here and insert description of real property on which growing or to be grown or to which affixed or to be affixed or from which to be extracted in Item 7 below. If crops or fixtures, also insert name of record owner of real estate. Effective if submitted within 6 months of expiration date.
- RELEASE—From the collateral described in the Financing Statement bearing the file number shown above, the Secured Party releases the collateral described in Item 7 below. Release does not terminate debt.
- ASSIGNMENT—The Secured Party certifies that the Secured Party has assigned to the Assignee above named, all the Secured Party's rights under the Financing Statement bearing the file number shown above in the collateral described in Item 7 below.
- TERMINATION—The Secured Party certifies that the Secured Party no longer claims a security interest under the Financing Statement bearing the file number shown above.
- AMENDMENT—The Financing Statement bearing the file number shown above is amended as set forth in Item 7 below. (Signature of Debtor and Secured Party required on all amendments.)
- OTHER (May be used for change of address.)

7.
One Chaparral Satellite System
One Gensat Satellite System 8' Screen

8. (Date) _____ 19____

By: _____ (TITLE)

By: *[Signature]* _____ (TITLE)

9. This Space for Use of Filing Officer
(Date, Time, Filing Office)

REQUESTED BY
Nevada First Bank
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

'89 NOV 14 A9:02

SUZANNE BEAUDREAU
RECORDER

\$ 11.00 PAID K10 DEPUTY
FILING FEE
SEE INSTRUCTIONS

10. Return Copy to

NAME Nevada First Bank
ADDRESS 2446 Highway 50 East
CITY, STATE AND ZIP Carson City, NV 89701

214639

BOOK 1189 PAGE 1720

(1) FILING OFFICER COPY - ALPHABETICAL

UNIFORM COMMERCIAL CODE-FORM N-UCC-2 (REV. 7-77)

Approved by the Nevada Secretary of State

THIS SPACE FOR USE OF FILING OFFICER

18
RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

✓ GAYLE STEVENSON
P.O. Box 16
Glenbrook, Nevada 89413

SECOND DEED OF TRUST WITH ASSIGNMENT OF RENTS

THIS SECOND DEED OF TRUST WITH ASSIGNMENT OF RENTS, herein referred to as "Deed of Trust" made effective the 13th day of November, 1989, by and between DUANE JONES, as Trustor, hereinafter referred to as "Trustor," WESTERN NEVADA TITLE COMPANY, as Trustee, hereinafter referred to as "Trustee," and GAYLE STEVENSON, as Beneficiary, hereinafter collectively referred to as "Beneficiary";

W I T N E S S E T H:

THAT TRUSTOR:

Grants the following described collateral to Trustee, in trust, with power of sale, to have and to hold the same unto Trustee and its successors in interest upon the trusts, covenants and agreements herein expressed:

DESCRIPTION OF COLLATERAL

All of the interest of Trustor in that certain real property, situate in the County of Douglas, State of Nevada, more particularly described as Lot 69, in Block D, as shown on the map of Glenbrook Unit No. 3-B, filed in the Office of the County

214640

BOOK **1189** PAGE **1721**

Recorder of Douglas County, Nevada, on June 13, 1980. The property is hereinafter referred to as the "Real Property."

TOGETHER WITH the tenements, hereditaments and appurtenances thereunto belonging or appertaining and the reversion and reversions and remainder and remainders, rents, issues and profits thereof, subject, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits.

TOGETHER WITH all buildings, structures and all other improvements that are or that may be hereafter erected or placed on the Real Property.

TOGETHER WITH all water rights and rights to the use of water that are now or that may be hereinafter used in connection with the Real Property, or any part thereof, or any improvements or appurtenances thereto.

FOR THE PURPOSE OF SECURING:

FIRST: Payment of the principal sum of \$68,500.00, together with interest thereon, according to the terms of a promissory note of even date herewith made by Trustor and payable to the Beneficiary, according to the tenor and effect of said promissory note, and all renewals, extensions and modifications thereof (the "Promissory Note").

SECOND: Payment and performance of every obligation, covenant and agreement of Trustor herein contained including repayment of any sums paid or advanced by Beneficiary pursuant to the terms hereof.

THIRD: The expenses and costs incurred or paid by Beneficiary in the preservation and enforcement of the rights and remedies of Beneficiary and the duties and the liability of Trustor hereunder including, but not by way of limitation, attorney's fees, court costs, witness fees, expert witness fees, collection costs and costs and expenses paid by Beneficiary in performing for Trustor's account any obligation of Trustor.

FOURTH: Performance by Trustor of each and every covenant to be performed by him in the Agreement of Sale of Residential Property dated November 10, 1989, wherein Beneficiary is Seller and Trustor is Buyer, including, without limitation, the obligations of Trustor under Sections 1.3 and 4.6 thereof.

TO PROTECT THE SECURITY HEREINABOVE GRANTED, TRUSTOR AGREES:

A. By the execution and delivery of this Deed of Trust, that they will observe and perform all provisions contained herein and in other documents evidencing obligations secured hereby.

B. To keep the Real Property in good condition and repair; not to remove, demolish or substantially alter any building or other improvement that may be erected or placed thereon, except upon written consent of Beneficiary; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon to pay when due all claims for labor performed and materials furnished therefore, to comply with all laws, ordinances, regulations, conditions and restrictions affecting the Real Property, or requiring any alterations or improvements to be made thereon; not to commit,

suffer or permit waste thereof; not to commit, suffer or permit any act upon the Real Property in violation of any law, ordinance, regulation, condition or restrictive covenant. To pay immediately in full, with interest, all liens, encumbrances, charges and claims on the Real Property or any part thereof.

C. To pay all taxes or assessments levied or to be levied on this Deed of Trust, on any note, notes or debt or interests secured hereby, or on Beneficiary by reason of its ownership of this Deed of Trust, or obligations or debts secured hereby, or on account of interest derived therefrom.

D. To appear in and defend at their own expense the interest of Beneficiary and Trustee in any action or proceeding purporting to affect the security hereof, or any of the Real Property hereby conveyed, or the rights, powers and duties of Beneficiary and Trustee, including, but not limited to, condemnation proceedings.

E. To pay at least ten (10) days before delinquency all taxes, assessments, sewer use fees and other governmental levies, charges and impositions, general and special, ordinary and extraordinary, unforeseen as well as foreseen, of every kind or nature whatsoever imposed, assessed or levied which may be or become a lien on the Real Property; to pay when due, all encumbrances, charges, and liens, with interest, on the Real Property or any part thereof, which appear to be prior or superior hereto; to pay all costs, fees and expenses of this Trust.

F. Should Trustor fail to pay any of the obligations or to perform any of the agreements, covenants or conditions herein

contained, Beneficiary or Trustee may, without notice to or demand upon, and without releasing Trustor from any obligation hereunder, pay any of such obligations or perform or cause to be fulfilled any of such agreements, covenants or conditions, including, but not limited to, paying or compromising any taxes, assessments, liens or encumbrances, charges or claims against the Real Property hereby conveyed or encumbered or any part thereof. In exercising any of the rights or powers herein granted, Beneficiary and Trustee may employ counsel, and incur and pay necessary costs and expenses, including the cost of any title search or title insurance, and counsel fees in a reasonable amount. All sums expended, paid or advanced by Beneficiary or Trustee, under the provisions of this Deed of Trust, shall be immediately repayable by Trustor upon demand, and shall bear interest at the rate of ten percent (10%) per annum until paid, and shall, with interest thereon, be secured by this Deed of Trust.

G. As additional security, Trustor gives to and confers upon Beneficiary the right, power and authority during the continuance of this trust, to collect the rents, issues and profits of the Real Property, reserving unto Trustor the right prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any obligation or agreement secured hereby, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at the time, by a receiver to be appointed by a court, enter upon and take possession of the Real Property, or any part thereof, 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's fees, upon any indebtedness and obligation secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of the Real Property, or any part thereof, the collection of such rents, issues and profits or the application thereof as aforesaid, shall not cure or constitute a waiver of any default or notice of default hereunder or invalidate any act done pursuant to such notice.

IT IS FURTHER AGREED THAT:

(1) Trustor, immediately upon obtaining knowledge of the institution of any proceeding for the condemnation of the Real Property hereby conveyed or any portion thereof, the commencement of negotiations which might result in, or a substantial threat of, any taking under power of eminent domain or sale in lieu thereof, shall notify Trustee and Beneficiary thereof. Trustor will in good faith and with due diligence file, prosecute, negotiate or settle (subject to Beneficiary's right to approve any final settlement) any claim in respect of any such condemnation, taking or sale, and will cause any and all proceeds on account thereof to be paid to the Beneficiary to be applied toward payment of any indebtedness and obligations hereby secured in such order as Beneficiary may determine.

(2) By accepting payment of any sum hereby secured after its due date, Beneficiary does not waive his right either to require

prompt payment when due of all other sums hereby secured or to declare a default for failure so to pay.

(3) Upon payment of all sums hereby secured and upon payment in full of the Deed of Trust referred to in paragraph 11 hereof Beneficiary shall forthwith give to Trustee a written request for issuance of its deed of full reconveyance, stating that all sums secured hereby have been paid and that all other obligations of Trustor have been performed, and shall surrender this Deed of Trust to Trustee for cancellation and retention and pay to Trustee its fees. Trustee shall thereupon reconvey the Real Property then held hereunder without warranty. The Grantee in such reconveyance may be described as "the person or persons legally entitled thereto." The recitals in such reconveyance of any matters of fact shall be conclusive proof of the truthfulness thereof.

(4) If breach or default be made in payment of any indebtedness secured hereby or in the performance of any obligation, promise or agreement contained herein or secured hereby, then, at any time thereafter, but during the continuation of such breach or default, Beneficiary may at its option, declare all sums secured hereby to be immediately due and payable without demand or notice; and Beneficiary or Trustee shall record in the office of the Recorder of ^{Douglas} ~~Eron~~ County, Nevada, a notice of such breach or default and election to cause the Real Property to be sold to satisfy the indebtedness and obligations secured hereby, as provided by the laws of the State of Nevada with reference to deeds of trust.

On application of Beneficiary, and after not less than the time then required by law having elapsed following the recordation of said notice of default and election to sell, Trustee shall give notice of the time and place of sale in the manner and for a time not less than that then required by law, and without demand on Trustor, Trustee shall sell said collateral at the time and place of sale fixed on said notice of sale, or such part or parts thereof, or such interests therein, and in such order as Beneficiary may determine, at public auction, to the highest bidder for cash in lawful money of the United States to be paid at the time of sale.

Trustee may postpone sale of all or any portions of said collateral by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by announcement at the time fixed by the preceding postponement and without further notice. Trustee may make such sale at the time to which the same shall be so postponed.

Trustee shall deliver to the purchaser its deed, bill of sale, and other appropriate documents of conveyance or transfer, transferring or conveying the collateral so sold, but without any covenant or warranty, express or implied. The recitals in any such deed or other documents of transfer or conveyance of any matters of fact stated either specifically or in general terms, or as conclusion of law or fact, shall be conclusive proof of the truthfulness thereof and such deed or other documents of transfer

or conveyance shall be conclusive evidence against all persons as to all matters of fact therein recited.

Any person, including Trustor, Trustee or Beneficiary, may purchase at such sale. Trustor hereby agrees to surrender immediately, and without demand, possession of the Real Property to any purchaser at any sale held hereunder.

In the conduct of any such sale, Trustee may act itself or through any auctioneer, agent or attorney. In addition to the indebtedness and other obligations secured hereby, Trustor hereby agrees to pay the expenses of such sale and of this Trust, compensation of Trustee in a reasonable amount, counsel fees in a reasonable amount, and also such sums, if any, as the Trustee or Beneficiary shall have paid for procuring an abstract of title, or search of title, or certificate of title, report or insurance as to the condition of the title to the Real Property, or any part thereof, subsequent to the execution of this instrument, all of such sums shall be secured hereby and be due upon demand. Trustee shall apply the proceeds of any sale held hereunder to the satisfaction of the sums secured hereby, in such order and to such extent as Beneficiary, in the exercise of its absolute discretion, may direct. Any surplus in the hands of Trustee after the payment of all sums secured hereby, shall be paid to the Trustor or such other person or persons legally entitled thereto upon the proof of such right.

Beneficiary, from time to time before the Trustee's sale, may rescind any such notice of default and of election to accelerate

the maturity of any indebtedness and to cause said collateral to be sold by executing and delivering to Trustee a written notice of such rescission, which notice, when recorded, shall also constitute a cancellation of any prior declaration of default and demand for sale. The exercise by Beneficiary of such right of rescission shall not constitute a waiver of any breach or default then existing or subsequently occurring, or impair the right of beneficiary to execute and deliver to Trustee, as above provided, other declarations of default and demands for sale, notices of default, and of election to cause to be sold the Real Property to satisfy the obligations hereby secured, nor otherwise affect any provision, covenant or condition to this Deed of Trust, or any of the rights, obligations or remedies of the parties thereunder.

(5) Beneficiary is authorized by itself, its agent or workmen, to enter at any reasonable time upon any part of the Real Property and the improvements situated thereon for the purpose of inspecting the same, and for the purpose of performing any of the acts it is authorized to perform under the terms of this Deed of Trust.

(6) This Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term "Beneficiary" shall also include not only the original Beneficiary hereunder, but any future owner, holder or pledgee or assignee of the Promissory Note.

(7) Beneficiary may from time to time by instrument in writing appoint a successor or successors to, or discharge and appoint a new Trustee in the place of, any Trustee named herein or acting hereunder, which instrument shall be executed and acknowledged by Beneficiary and recorded in the office of the Recorder of Douglas County, Nevada, and such successor or successors or new Trustee shall have all the estate, powers, and duties of said predecessor Trustee.

(8) No delay or omission by Beneficiary in the exercise of any right or remedy accruing upon any default or in the doing of any of the matters and things by it permitted to be done under the terms and provisions of this Deed of Trust shall impair any such right or remedy, or be construed to be a waiver of any such default or acquiescence therein, nor shall it affect any subsequent default of the same or a different nature; and every such right or remedy may be exercised from time to time and as often as it is deemed expedient by Beneficiary.

(9) The rights and remedies of Beneficiary upon the occurrence of one or more defaults by Trustor (whether such rights and remedies are conferred by statute, by rule of law, by this Deed of Trust, or otherwise) may be exercised by Beneficiary, in the sole discretion of Beneficiary, either alternatively, concurrently or consecutively, in any order. The exercise by Beneficiary, or by Trustee at the express direction of Beneficiary, of any one or more of such rights and remedies shall not be construed to be an election of remedies nor a waiver of any other rights and remedies

Beneficiary might have unless, and limited to the extent that, Beneficiary shall so elect or so waive by an instrument in writing delivered to Trustee.

(10) The following covenants, Numbers 1, 2 (insurance full insurable value), 3, 4 (10%), 5, 6, 7, 8 and 9 of the Nevada Revised Statutes 107.030, when not contained in or inconsistent with other covenants and provisions herein contained, are hereby adopted by this reference and made a part of this Deed of Trust.

(11) This Deed of Trust is subject and subordinate to a First Deed of Trust and Promissory Note secured thereby dated February 28, 1987, and in favor of First Federal Savings and Loan Association, now American Federal Savings Bank recorded as Document No. 150271, in Book 287, Page 1858 of the Official Records of Douglas County, Nevada (the "First Deed of Trust").

A breach or default in any of the terms, covenants, conditions and provisions of the First Deed of Trust shall also be a breach and default of the terms, covenants, conditions and provisions of this Deed of Trust, with the Beneficiary and Trustee hereunder having all the rights, privileges and remedies preserved to the Trustee and Beneficiary under the First Deed of Trust as well as this Deed of Trust.

(12) Should Trustor or any assignee or successor or Grantee of Trustor execute a general assignment for the benefit of creditors or its equivalent or voluntarily file or involuntarily have filed against them a petition in bankruptcy or a petition for a Chapter X reorganization or a petition for a Chapter XI

arrangement or a petition for a Chapter XII real estate arrangement or apply for any other form of debtors' relief under the Bankruptcy Act, Title II, United States Code, or any other state or federal law, such occurrence shall constitute a default under this Deed of Trust and the Promissory Note hereby secured.

(13) The words "Beneficiary" and "Trustor" as used herein shall include the plural as well as the singular, and the neuter and masculine shall include the masculine and feminine genders, and if there be more than one Trustor, the obligations hereunder imposed upon the Trustor shall be joint and several.

(14) In the event that any provision of this Deed of Trust is declared invalid or inoperable, said declaration shall not affect the validity of any other provision hereof.

(15) Any notice or demand required or permitted to be given by law or any communication hereunder shall be in writing and shall be considered given (a) upon personal service of a copy on the party to receive the notice, demand or communication, or (b) forty-eight (48) hours after mailing such notice or demand by certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Trustor: Duane Jones
Box 185
Glenbrook, Nevada 89414

If to the Beneficiary: Gayle Stevenson
Box 16
Glenbrook, Nevada 89413

If to the Trustee: Western Nevada Title Company
225 So. Arlington Avenue
Reno, Nevada 89501