

DEED OF TRUST

THIS DEED OF TRUST, made this 8th day of September, 1978; by and between DENNY S. MULFORD and DELLA C. MULFORD, his wife, as Grantors, and FRONTIER TITLE COMPANY, as Trustee, and RLC INVESTMENTS, INC., a Delaware corporation, as Beneficiary,

W I T N E S S E T H:

That Grantor hereby grants, transfers and assigns to the Trustee in trust, with power of sale, all of the following described real property situate in the County of Eureka, State of Nevada, more particularly described as follows, to-wit:

TOWNSHIP 25 NORTH, RANGE 53 EAST, M.D.B. & M.

Section 5: Lots 3 and 4; S $\frac{1}{2}$ NW $\frac{1}{2}$; W $\frac{1}{2}$ SE $\frac{1}{2}$; SW $\frac{1}{2}$
Section 6: Lots 1 and 2; S $\frac{1}{2}$ NE $\frac{1}{2}$; E $\frac{1}{2}$ SE $\frac{1}{2}$; NW $\frac{1}{2}$ SE $\frac{1}{2}$
Section 8: NW $\frac{1}{2}$ NW $\frac{1}{2}$

TOWNSHIP 26 NORTH, RANGE 53 EAST, M.D.B. & M.

Section 32: S $\frac{1}{2}$ NW $\frac{1}{2}$; SW $\frac{1}{2}$ SE $\frac{1}{2}$; SW $\frac{1}{2}$

EXCEPTING THEREFROM an undivided one-half interest in and to all coal, oil, gas and other minerals of every kind and nature whatsoever existing upon, beneath the surface of, or within said lands, as reserved in Deed from George M. Smiraldo and Alma Smiraldo, his wife, recorded March 1, 1961, in Book 26, page 16, Deed Records, Eureka County, Nevada.

Together with all buildings; fixtures; corrals; fences; stockwater troughs, tanks and facilities; windmills now on the premises, or any portion thereof; and together with all new or additional buildings, structures, fixtures, fences, corrals and other improvements, which shall be placed on the premises, or any portion thereof, which shall be deemed additional security.

Together with all springs, wells, water, water rights, stockwater rights, applications, proofs, permits, certificates related to water and water rights, appurtenant to or used upon said lands or any portion thereof, together with all dams, ditches, diversions, licenses, easements, and rights-of-way incidental to or related to the utilization of all such water and water rights.

TOGETHER with the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof.

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

ONE: Payment of an indebtedness evidenced by a certain

72. 4509-C

Promissory Note of even date herewith, in the principal amount of ONE HUNDRED THIRTY THOUSAND and NO/100 DOLLARS (\$130,000.00), with the interest thereon, expenses, attorney fees and other payments therein provided, executed and delivered by the grantor payable to the Beneficiary or order, and any and all extensions or renewals thereof.

TWO: Payment of such additional amounts as may be hereafter loaned by the Beneficiary to the Grantor or any successor in interest of the Grantor, with interest thereon, expenses and attorney fees, and any other indebtedness or obligations of the Grantor to the Beneficiary.

THREE: Payment of all other sums with interest thereon becoming due or payable under the provisions hereof to either Trustee or Beneficiary.

FOUR: Payment, performance and discharge of each and every obligation, covenant, promise and agreement of Grantor herein or in said Note contained and of all renewals, extensions, revisions and amendments of the above-described Note and any other indebtedness or obligation secured hereby.

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

1. The Beneficiary has the right to record notice that this Deed of Trust is security for additional amounts and obligations not specifically mentioned herein but which constitute indebtedness or obligations of the Grantor for which the Beneficiary may claim the Deed of Trust as security.

2. The grantor shall: A) properly care for and keep the property herein described and all buildings, fences, corrals, stock watering facilities, dams, ditches, diversions, wells, pumping equipment, and all other structures, improvements and fixtures now thereon or hereafter placed thereon in at least the condition, order and repair existing on the date of this Deed of Trust, subject to reasonable wear and tear and replacement, substitution or improvement as herein provided; B) not remove or demolish all or any portion of any buildings,

fences, corrals, watering troughs, windmills, other fixtures or improvements now situate thereon or hereafter placed thereon unless the same is replaced, improved or substituted therefor by a like item of at least equal value, quality and use; C) not commit or permit any waste of the land, buildings, improvements and fixtures on said premises; D) farm, maintain and irrigate the meadow and pasture areas of the premises for which water rights exist in at least the same husbandmanlike manner as was being applied thereto prior to the date of this Deed of Trust; E) properly maintain, put to beneficial use and utilize all wells and water rights appurtenant to or used in connection with any portion of the premises as of the date of this Deed of Trust so as not to allow any water rights to be jeopardized, diminished or lost; F) graze and manage the grazing areas of the lands subject to this Deed of Trust in the manner recognized as good range management in the grazing unit or area in which the lands subject hereto are located; G) apply for active use and utilize or take non-use of all rights, privileges, preferences, demands, licenses, permits and leases to graze livestock upon the public lands based upon all or any portion of the lands subject to this Deed of Trust and to do all other things reasonably necessary to prevent the loss of, or permanent reduction in such grazing rights, privileges, preferences, demands, licenses, permits and leases through the acts or omissions of Grantor. The Grantor shall not do nor permit to be done, by act or omission, anything which shall impair, lessen, diminish, devalue or deplete the security hereby given.

3. 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 Deed of Trust), 7 (reasonable), and 8 and 9 of N.R.S. 107.030, are hereby adopted and made a part of this Deed of Trust.

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

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

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

7. Grantor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these trusts, to collect the rents, issues and profits of the property, RESERVING UNTO GRANTOR, HOWEVER, the right, prior to any default by Grantor in payment of any indebtedness secured hereby or in 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 with or without notice, 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, in the 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's 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.

8. If default be made in the payment of the obligations, note or debt secured hereby or in the performance of any of the terms, conditions or covenants of this Deed of Trust, or the payment of any sum payable hereunder, or upon the occurrence of any act or event of

default hereunder, and such default is not cured within 35 days after written notice of default and of election to sell said property given in the manner provided by N.R.S. 107.080 as in effect on the date of this Deed of Trust, Beneficiary may declare all notes, debts and sums secured hereby or payable hereunder immediately due and payable although the date of maturity has not arrived.

9. The Promissory Note secured by this Deed of Trust is made a part hereof as if fully herein set out.

10. The commencement of any proceeding under the bankruptcy or insolvency laws by or against any of the Grantors, or against any of the Makers of the Note secured hereby; or the appointment of a receiver for any of the assets of any Grantor hereof or any Maker of the Note secured hereby; or the making by any of the Grantors or any Maker of the Note secured hereby of a general assignment for the benefit of creditors, shall constitute a default under this Deed of Trust.

11. To the extent permitted by the laws of the State of Nevada, Grantor agrees to pay any deficiency arising from any cause after application of the proceeds of any sale held in accordance with the provisions hereof and agrees to pay all costs and reasonable attorney's fees incurred in any action brought to collect said deficiency.

12. Any notices to be given Grantor shall be given by registered or certified mail to Grantor at the address set forth near the signatures on this Deed of Trust or at such substitute address as Grantor may designate in writing duly delivered to Beneficiary to Trustee, and such address set forth in this Deed of Trust, or such substitute address as is designated in writing duly served as aforesaid, shall be deemed conclusively to be the correct address of Grantor for all purposes in connection with said Deed of Trust, including, but not limited to, giving of notices permitted or required by statute to be mailed to Grantor.

13. The rights and remedies herein granted shall not exclude any other rights or remedies granted by law, and all rights

or remedies granted hereunder, or permitted by law, shall be concurrent and cumulative.

14. All 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. All obligations of each Grantor hereunder shall be joint and several. The word "Grantor" 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.

15. It is expressly agreed that the trusts created hereby are irrevocable by the Grantor.

16. The Grantor hereby covenants and agrees that neither the acceptance nor existence, now or hereafter, of other security for the indebtedness secured hereby, or the full or partial release or discharge thereof, shall operate as a waiver of the security of this Deed of Trust, nor shall this Deed of Trust nor its satisfaction nor reconveyance made hereunder operate as a waiver of any such other security now held or hereafter acquired.

IN WITNESS WHEREOF, the Grantor has executed these presents the day and year first above written.

Denny S. Mulford
DENNY S. MULFORD

Della C. Mulford
DELLA C. MULFORD

grantor's address:

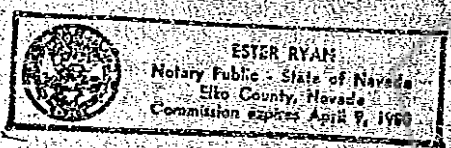
Las Vegas, Nev. 89316

STATE OF NEVADA)
): ss.
County of Elko)

On this 8th day of September, 1978, personally appeared before me, a notary public, DENNY S. MULFORD and

DELLA C. MULFORD, who acknowledged that they executed the above instrument.

Esther Ryan
NOTARY PUBLIC



RECORDED AT THE REQUEST OF Frontier Title Company
on September 8, 1979, at 14 11 A.M.
Book 65 of OFFICIAL RECORDS, page 531-537 RECORDS OF
EUREKA COUNTY, NEVADA. WILLIS A. DePAOLI Recorder
File No. 66117 Fee \$ 9.00

66117

BOOK 65 PAGE 537

page 7 of 7

VAUGHAN, HULL, HANFIS & COPENHAYER, LTD.
ATTORNEYS AND COUNSELORS
830 IOWA STREET
ELKO, NEVADA 89801