

DEED OF TRUST

THIS DEED OF TRUST, made this 23rd day of April, 1979  
by and between DENNY S. MULFORD AND DELLA C. MULFORD, Husband and Wife

of Eureka County, State of Nevada, hereinafter called  
Trustor, and FRONTIER TITLE COMPANY,

a corporation organized and existing under and by virtue of the laws of the State of  
Nevada, hereinafter called Trustee, and CONNECTICUT GENERAL LIFE  
INSURANCE COMPANY, a life insurance company organized under the laws of the State of  
Connecticut and having its principal place of business at 900 Cottage Grove Road,  
Bloomfield, Connecticut, hereinafter called Beneficiary.

W I T N E S S E T H:

That Trustor grants, bargains, sells, conveys and confirms unto Trustee in  
trust with power of sale and right of entry and possession therein and thereto, all  
that certain real property in located in Eureka County, Nevada, described as follows:

PARCEL 1:

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

Section 5: Lots 3 and 4; the South half of the Northwest quarter; the West  
half of the Southeast quarter; the Southwest quarter.

Section 6: Lots 1 and 2; the South half of the Northeast quarter; the East  
half of the Southeast quarter; the Northwest quarter of the South-  
east quarter.

Section 8: The Northwest quarter of the Northwest quarter. *ec*

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

Section 32: The South half of the Northwest quarter; the Southwest quarter  
of the Southeast quarter; the Southwest quarter.

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.

PARCEL 2:

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

Section 31: Lot 9, 10; the East half of the West half of the East half of  
the Southeast quarter; the East half of the West half of the  
West half of the East half of the Southeast quarter.

EXCEPTING THEREFROM all mineral deposits in said land reserved by the United  
States of America in Patent recorded January 26, 1979 in Book 68 Page 393,  
Official Records, Eureka County, Nevada.

TOGETHER WITH all the estate and interest, homestead or other claim, as well in law as in equity, which said Trustor now has or may hereafter acquire in and to said property, together with all easements and rights of way used in connection therewith or as a means of access thereto and all and singular the tenements, hereditaments and appurtenances thereof, including all fixtures and articles of personal property now or at any time hereafter attached to or used in any way in connection with the use, operation and occupation of the above described real property, and any and all buildings, and improvements now or hereafter erected thereon. Such fixtures and articles of personal property, including but without being limited to, all screens, awnings, storm windows and doors, window shades, floor coverings, shrubbery, trees, plants, boilers, tanks, furnaces, radiators, and all heating, lighting, plumbing, gas, electric, ventilating, refrigerating, air conditioning and incinerating equipment and fixtures of whatsoever kind and nature, except household furniture not specifically enumerated herein, are hereby declared and shall be deemed the fixtures and accessory to the freehold and a part of said realty as between the parties hereto, their heirs, legatees, devisees, executors, administrators, successors and assigns, and all persons claiming by, through or under them;

TOGETHER WITH the following described shares of stock and water right contracts, which are hereby expressly made appurtenant to the above described property, namely: Water rights evidenced by Proof of Appropriation No. 02432 and Application No. 35812.

TOGETHER WITH all other rights, whether evidenced by shares of stock, contracts, permits, licenses, or in any other manner, to the use of water for the irrigation of the above described property, or for stock watering or domestic purposes thereon, and to the use of any irrigation and drainage ditch, canal or pipe line, or any one or more of them, used for either or both irrigation and drainage of said property, or for the conveyance of water for stock or domestic purposes thereon, whether said rights are now owned or are hereafter acquired, every such right being hereby made appurtenant to the above described property.

TO HAVE AND TO HOLD the same unto Trustee for the purpose of securing:

(a) Payment of the indebtedness in the principal sum of TWO HUNDRED TEN THOUSAND AND NO/100ths Dollars, with interest thereon according to the terms of a certain promissory note of even date herewith executed by Trustor, delivered to Beneficiary and payable to its order, and any and all extensions or renewals thereof, said promissory note being hereby specifically referred to and by such reference is hereby made a part of this trust deed as if fully set forth herein.

(b) Payment of such additional sums with interest thereon as may hereafter be loaned by Beneficiary to Trustor when evidenced by a promissory note or notes executed by Trustor.

(c) Payment of all other sums with interest thereon that may become due or payable under the provisions hereof either to Trustee or Beneficiary.

(d) Performance and discharge of each and every obligation, covenant and agreement of Trustor herein or in said note or notes contained.

AND THIS INDENTURE FURTHER WITNESSETH:

FIRST: Trustor agrees to keep the buildings and other improvements now or hereafter erected upon the above described premises in good condition and repair and to complete or restore promptly and in good condition and good workmanlike manner any building upon said premises that may be damaged or destroyed thereon whether said damage or destruction be caused by earthquake or other cause, and to pay, when due, all claims for labor performed and materials furnished in connection with the construction, restoration, reconstruction or repair of any improvement thereon; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of any law, covenant, condition or restriction affecting said property; to do all acts which from the character or use of said property may be reasonably necessary, the specific enumeration herein not excluding the general; and to permit Beneficiary to enter at all reasonable times for the purpose of inspection.

SECOND: The Trustor will keep the buildings, whether now standing on said premises or hereafter erected, continuously insured against loss or damage by fire

and against such other hazards as the Beneficiary, in its sole discretion, shall from time to time require in amounts approved by the Beneficiary, all such insurance to be in an insurance company or companies and in terms acceptable to the Beneficiary, with loss, if any, payable to the Beneficiary as its interest may appear pursuant to a mortgage clause attached which shall be satisfactory to the Beneficiary, and forthwith, upon the issuance of such policies, to deliver the same, and all renewals thereof, together with appropriate receipts evidencing that the premium therefor has been fully paid to said Beneficiary. In the event that the Trustor does not deposit with the Beneficiary a new policy or policies of insurance with evidence of payment of premium thereon at least ten days prior to the expiration of any expiring policy, then the Beneficiary may procure said insurance and Trustor agrees to pay premiums thereon promptly upon demand. In event of foreclosure of this trust deed, or other transfer of title to the property covered hereby in extinguishment of the indebtedness secured hereby, all right, title and interest of Trustor in and to any insurance policies then in force concerning this property shall pass to the purchaser or Beneficiary.

THIRD: The following covenants; Nos. 1, 3, 4 (interest 12%), 5, 6, 7 (counsel fee 15%), and 8 of Nevada Revised Statutes 107.030, are hereby adopted and made a part of this deed of trust.

FOURTH: Trustor agrees that in the event that Trustor shall fail to make any payment or do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice or demand upon Trustor and without releasing Trustor from any obligation hereof, may make or do the same in such a manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes.

FIFTH: Trustor agrees that any award of damages heretofore or hereafter made in connection with any condemnation for public use of or injury to said property, or any part thereof, and all awards of damages arising from any cause of action for injury to or damage to said property, or any part thereof, are hereby assigned and shall be paid to Beneficiary who may apply or release such

moneys received by it in the same manner as above provided for the disposition of proceeds of fire or other insurance policies, and Trustor agrees to execute such further assignments of any such award or damages as Beneficiary or Trustee may require.

SIXTH: Trustor shall perform every obligation of the lessor and shall enforce every obligation of the lessee in every lease that is assigned to Beneficiary or any tenancy in which the rents are assigned to Beneficiary and shall not modify, alter, waive or cancel any such lease or any part thereof, nor anticipate for more than one month any rents that may be collectible under such lease or that may have been assigned to Beneficiary and shall not assign any such lease or any such rents.

SEVENTH: Trustor shall pay all taxes levied upon the note or debt or deed of trust by the State of Nevada unless such payment shall be contrary to the laws of the State of Nevada, in which case such part of the taxes shall be paid that shall not exceed the amount lawfully collectible.

EIGHTH: As additional and collateral security for the payment of said note and other obligations referred to herein, Trustor assigns to the Beneficiary all the rents, issues, profits and income of the real estate above described from the date of this instrument until the debt hereby secured shall be paid in full, including, but not limited to all rents, revenues, royalties, rights and benefits accruing to Trustor under all present and future oil, gas and mineral grants and leases relating to said premises or any part thereof, with the right to receive the same and apply them to said note and other obligations referred to herein after default in the conditions hereof.

NINTH: If the property herein described, or any part thereof, is now or hereafter included in any irrigation, reclamation, drainage, conservation, road, or other district, now or subsequently organized, or should any district, now or subsequently organized, increase its bonded indebtedness so that in the opinion of Beneficiary the value of the property hereby conveyed becomes inadequate as security for the indebtedness hereby secured, Beneficiary being the sole and only judge of such inadequacy, then Beneficiary shall be entitled at its option to call

upon Trustor either to reduce the unpaid balance of the indebtedness as required by Beneficiary, or to furnish additional security satisfactory to Beneficiary, and in the event that Trustor shall fail or refuse to meet any such requirement for sixty days after written notice so to do has been given Trustor by Beneficiary, Beneficiary may, at its option, and without further notice to or demand on Trustor, declare the note or notes hereby secured due and payable, and may proceed to have the property above described sold in accordance with the terms of this Deed of Trust.

TENTH: Trustor hereby grants, assigns, transfers and sets over unto Trustee, for the uses and purposes herein set forth, all right, title and interest in and to all leases, permits, allotments or licenses, and all renewals and extensions thereof, covering lands or privileges now or hereafter used in conjunction with the fee-owned property hereinabove described, including but not limited to the following: Bureau of Land Management Grazing Permit for 2,360 AUMs.

together with all right, title and interest in and to all buildings, structures, fences, pumps, pumping equipment, pipes, pipelines, wells, tanks, dams, reservoirs, and other improvements of every nature and description now or hereafter located on the lands covered by such leases, permits, allotments or licenses, and all water and water rights located thereon or appurtenant thereto. Trustor covenants that he is the lawful owner and holder of the leases, permits, allotments and/or licenses hereinabove specifically described and that the same are free from encumbrance and have not been assigned; that he will procure renewals or extensions thereof and of all other leases, permits, allotments or licenses now or hereafter held by Trustor as aforesaid, upon or prior to the respective expiration dates thereof and will execute any instrument deemed by Beneficiary necessary to effect an assignment or waiver of such renewals or extensions for its benefit hereunder; that he will pay all rents and other charges and do all acts and things necessary to preserve and keep in good standing all said leases, permits, allotments or licenses and any

renewals or extensions thereof; that he will take no action which would adversely affect any of his rights or his preference status thereunder and that in the event of the exercise of the power of sale hereunder or the foreclosure of this deed of trust as a mortgage, as herein provided, he will waive all claims for preference in any such rights upon demand by the purchaser of the fee-owned property or any successor to such purchaser; that the lands covered by said leases, permits, allotments or licenses and renewals or extensions thereof, shall at all times be operated in conjunction with said fee-owned property and neither shall be transferred to any other person separately from the other; and, in case of failure of Trustor to pay any of the rents or other charges payable under the terms of any of said leases, permits, allotments or licenses, Trustee or Beneficiary may, at its option, make payment thereof and any amount so paid, with interest thereon at the rate of twelve (12%) percent per annum, shall be a part of the principal debt and shall be secured by this deed of trust and shall be a lien on the fee-owned property hereinabove described.

ELEVENTH: After Beneficiary has recorded a notice of a breach of the obligation, a receiver may be appointed for the premises securing the obligation.

TWELFTH: That the Beneficiary or his assigns may, from time to time, appoint a successor or a substitute to any Trustee or to any successor or substitute of any Trustee and upon any such appointment, such successor or substitute shall thereupon hold and possess all the title, rights, and powers herein conferred on the Trustee and such successor or substitute's conveyance shall be equally valid and effective as that of the herein named Trustee. An instrument of appointment executed and acknowledged by the Beneficiary (or by an officer of Beneficiary, if Beneficiary is a corporation) shall be conclusive proof of the proper appointment of such substitute Trustee. If there be more than one Trustee, either may act alone and execute the trusts upon the request of the Beneficiary, and all his acts thereunder shall be deemed to be the acts of all Trustees, and the recital in any conveyance executed by such sole Trustee of such request shall be conclusive evidence thereof, and of the authority of such sole Trustee to act.

THIRTEENTH: It is mutually agreed that the rights and remedies hereby granted shall not exclude any other rights or remedies granted by law and all rights or

remedies granted hereunder or by law shall be concurrent and cumulative; that the trusts created hereby are irrevocable by Trustor; that the provisions of this instrument apply to, inure to the benefit of and bind all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns; that this deed of trust shall be governed by and construed according to the laws of the State of Nevada.

FOURTEENTH: Trustor agrees to pay any deficiency arising from any cause after application of the proceeds of sale held in accordance with the provisions of Covenants Nos. 6 and 7 hereinabove adopted to the obligation or obligations hereby secured.

FIFTEENTH: If at any time the Trustor shall be unable to qualify under Federal or State regulations to continue the use of any grazing permits, licenses or leases on said property existing at the time the loan was made, causing such grazing permits, licenses or leases to be canceled or reduced, the Beneficiary at its option may require payment of its loan in whole or in part.

SIXTEENTH: Trustor covenants and agrees that in the event of the sale or other disposition of the property hereinbefore described or referred to herein, Beneficiary shall have the right, at its option, to require that the principal amount of the indebtedness secured hereby be reduced to seventy-five percent (75%) of the principal amount disbursed, exclusive of any required payments on principal for release of security, insurance losses or condemnation awards. In the event of the exercise of such option by Beneficiary and in the event Trustor, or its successors or assigns, shall fail or neglect promptly to make such payments as are necessary to so reduce said principal, Beneficiary shall have the right at its option to immediately and without further notice declare the entire indebtedness secured or to be secured by this Deed of Trust to be immediately due and payable and to foreclose or to exercise any other rights or remedies which Beneficiary shall have in the premises. Failure of the Beneficiary to exercise this option shall not be deemed a waiver of this option as to any subsequent sale or other disposition of the property.



SEVENTEENTH: This Deed of Trust shall be governed by and construed according to the laws of the State of Nevada.

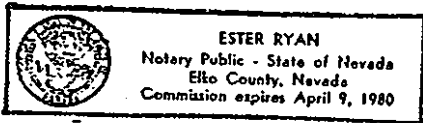
IN WITNESS WHEREOF, Trustor has hereunto set his hand the day and year first above written.

Denny S. Mulford  
DENNY S. MULFORD

Della C. Mulford  
DELLA C. MULFORD

STATE OF Nevada )  
COUNTY OF Elko ) ss.

On April 23, 1979, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Denny S. Mulford and Della C. Mulford known to me to be the persons whose names subscribed to the within Instrument and acknowledged to me that they executed the same.



Ester Ryan  
Notary Public in and for said County and State  
My Commission Expires: April 9, 1980

RECORDED AT THE REQUEST OF Frontier Title Company  
on May 31, 1979 at 30 mins. past 10 A.M. In  
Book 70 of OFFICIAL RECORDS, page 320-328, RECORDS OF  
EUREKA COUNTY, NEVADA. WILLIS A. DePAOLI Recorder  
File No. 68340 Fee \$ 11.00