

This Deed of Trust, made this 29th day of May, 1986, between

DANIEL H. RUSSELL and ROBERTA A. RUSSELL, husband and wife, as community property, with right of survivorship, herein called TRUSTOR, whose address is

(number and street) (city) (state) (zip)

WASHOE TITLE GUARANTY COMPANY, a Nevada corporation, herein called TRUSTEE, and DONALD R. SMITH and WILMA M. SMITH, husband and wife,

herein called BENEFICIARY, Witnesseth: That Trustor IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS TO TRUSTEE IN TRUST, WITH POWER OF SALE, that property in Eureka and Lander County, Nevada, described as:

SEE EXHIBIT "A" ATTACHED HERETO AND INCORPORATED HEREIN BY REFERENCE THERETO.

This deed of trust is executed in counterpart for recording in both counties.

TOGETHER WITH the rents, issues and profits thereof, reserving the right to collect and use the same except during continuance of some default hereunder and during continuance of such default authorizing Beneficiary to collect and enforce the same by any lawful means in the name of any party hereto.

For the Purpose of Securing: 1. Performance of each agreement of Trustor incorporated by reference or contained herein. 2. Payment of the indebtedness evidenced by one promissory note of even date herewith, and any extension or renewal thereof, in the principal sum of \$ 375,000.00 executed by Trustor in favor of Beneficiary or order. 3. Payment of such additional sums as may hereafter be advanced for the account of Trustor or Assigns by Beneficiary with interest thereon.

To Protect the Security of This Deed of Trust, Trustor Agrees: By the execution and delivery of this Deed of Trust and the note secured hereby, that provisions (1) to (16) inclusive of the Deed of Trust recorded in the Book and at the Page, or Document No. of Official Records in the Office of the County Recorder of the county where said property is located, noted below opposite the name of such county, viz.:

COUNTY	DOCUMENT No.	BOOK	PAGE	COUNTY	DOCUMENT No.	BOOK	PAGE	COUNTY	DOCUMENT No.	BOOK	PAGE
Clark	413987	514		Humboldt	116986	3	83	Ormsby, new	72637	19	102
Churchill	104132	34 mgs.	391	Lander	41172	3	758	Carson City			
Douglas	24495	22	415	Lincoln	41292	0 mgs.	467	Parshing	57468	28	58
Elko	14831	43	343	Lyon	88486	31 mgs.	449	Storey	28573	R mgs.	112
Esmeralda	26291	3H deads	138-141	Mineral	76648	16 mgs.	534-537	Washoe	407205	734	221
Eureka	39602	3	283	Nye	47157	67	163	White Pine	128126	261	341-344

(which provisions, identical in all counties, are printed on the reverse hereof) hereby are adopted and incorporated herein and made a part hereof as fully as though set forth herein at length; that he will observe and perform said provisions; and that the references to property, obligations, and parties in said provisions shall be construed to refer to the property, obligations, and parties set forth in this Deed of Trust.

The parties agree that with respect to provision 16, the amount of fire insurance required by covenant 2 shall be \$ N/A and with respect to attorneys' fees provided for by covenant 7 the percentage shall be 10 %.

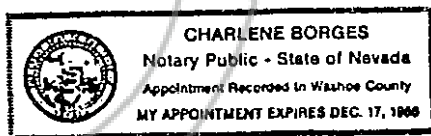
The undersigned Trustor requests that a copy of any Notice of Default and of any Notice of Sale hereunder be mailed to him at his address hereinbefore set forth.

STATE OF NEVADA,
COUNTY OF _____
On _____ personally
appeared before me, a Notary Public,
~~DANIEL H. RUSSELL and ROBERTA A. RUSSELL~~

Daniel H. Russell by
Thomas S. Van Horne his attorney in fact
Robert A. Russell by
Thomas S. Van Horne her attorney in fact

STATE OF NEVADA
County of WASHOE

On this 29th day of May in the year one thousand nine hundred and eighty-six
personally appeared before me, CHARLENE BORGES, Washoe County, a Notary Public in and for said THOMAS S. VAN HORNE



IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official stamp, at my office in the County of Washoe, on this _____ day of _____, 1986.

Charlene Borges

known to me to be the person whose name is subscribed to the within instrument, as the attorney in fact of DANIEL H. RUSSELL and ROBERTA A. RUSSELL and he, the said THOMAS S. VAN HORNE acknowledged to me that he signed the name S. of the said DANIEL H. RUSSELL and ROBERTA A. RUSSELL thereto as principal and his own name as attorney in fact, and that as such attorney in fact he executed the foregoing instrument freely and voluntarily and for the uses and purposes therein mentioned.

CHARLENE'S FORM NO. 248—(ACKNOWLEDGMENT-ATTORNEY IN FACT) 88878

State
Zip

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The following is a copy of provisions (1) to (16) inclusive, of the Deed of Trust recorded in each county in Nevada as stated in the foregoing Deed of Trust and incorporated by reference in said Deed of Trust as being a part thereof as if set forth at length therein.

(1) For the purpose of protecting and preserving the security of this Deed of Trust, the Grantor agrees: to properly care for and keep said property in good condition and repair; not to remove or demolish any building thereon; to complete in a good and workmanlike manner any building which may be constructed thereon, and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws, ordinances and regulations requiring any alterations or improvements to be made thereon; not to commit or permit any waste thereon; not to commit, suffer or permit any act to be done in or upon said property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and/or do any other act or acts, all in a timely and proper manner, which, from the character or use of said property, may be reasonably necessary, the specific enumerations herein not excluding the general.

(2) The Grantor agrees to pay and discharge all costs, fees and expenses of these Trusts, including cost of evidence of title and Trustee's fees in connection with sale, whether completed or not, which amounts shall become due upon delivery to Trustee of Declaration of Default and Demand for sale, as hereinafter provided.

(3) The amount collected under any fire insurance policy shall be credited: first, to accrued interest; next to expenditures hereunder; and any remainder upon the principal, and interest shall thereupon cease upon the amount so credited upon principal; provided, however, that at the option of the Beneficiary, the entire amount collected under the policies or any part thereof may be released to the Grantor, without liability upon the Trustee for such release.

(4) The Grantor promises and agrees that if, during the existence of the Trust there be commenced or pending any suit or action effecting said conveyed premises, or any part thereof, or the title thereto, or if any adverse claim for or against said premises, or any part thereof, be made or asserted, he will appear in and defend any such matter purporting to affect the security and will pay all costs and damages arising because of such action.

(5) Any award of damages in connection with any condemnation for public use of or injury to any property or any part thereof is hereby assigned and shall be paid to Beneficiary, who may apply or release such moneys received by him in the same manner and with the same effect as herein provided for disposition of proceeds of insurance.

(6) Trustee shall be under no obligation to notify any party hereto of any pending sale hereunder or of action or proceeding of any kind in which Grantor, Beneficiary and/or Trustee shall be named as defendant, unless brought by Trustee.

(7) Acceptance by Beneficiary of any sum in payment of any indebtedness secured hereby, after the date when the same is due, shall not constitute a waiver of the right either to require prompt payment, when due, of all other sums so secured or to declare default as herein provided for failure so to pay.

(8) Trustee may, at any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and the notes secured hereby for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby or the effect of this Deed of Trust upon the remainder of said property: reconvey any part of said property; consent in writing to the making of any map or plat thereof; join in granting any easement thereon; or join in any extension agreement or subordination agreement in connection herewith.

(9) Upon receipt of written request from Beneficiary reciting that all sums secured hereby have been paid and upon surrender of this Deed and said note to Trustee for cancellation and retention and upon payment of its fees, the Trustee shall reconvey without warranty the property then held hereunder. The recitals in such reconveyance of any matters of fact shall be conclusive proof of the truth thereof. The Grantor in such reconveyance may be described in general terms as "the person or persons legally entitled thereto," and Trustee is authorized to retain this Deed of Trust and note.

(10) (a) Should default be made by Grantor in payment of any indebtedness secured hereby and/or in performance of any agreement herein, then Beneficiary may declare all sums secured hereby immediately due by delivery to Trustee of a written declaration of default and demand for sale, and of written notice of default and election to cause said property to be sold (which notice Trustee shall cause to be filed for record) and shall surrender to Trustee this Deed, the notes and all documents evidencing any expenditure secured hereby.

(b) After three months shall have elapsed following recordation of any such notice of default, Trustee shall sell said property at such time and at such place in the State of Nevada as the Trustee, in its sole discretion, shall deem best to accomplish the objects of these Trusts, having first given notice of such sale as then required by law. Place of sale may be either in the county in which the property to be sold, or any part thereof, is situated, or at an office of the Trustee located in the State of Nevada.

(c) The Grantor, Pledgor and Mortgagor of the personal property herein pledged and/or mortgaged waives any and all demands or notices as conditions precedent to sale of such personalty.

(d) Trustee may postpone sale of all, or any portion, of said property by public announcement at the time fixed by said notice of sale, and may thereafter postpone said sale from time to time by public announcement at the time previously appointed.

(e) At the time of sale so fixed, Trustee may sell the property so advertised or any part thereof, either as a whole or in separate parcels at its sole discretion, at public auction, to the highest bidder for cash in lawful money of the United States, payable at time of sale, and shall deliver to such purchaser a deed conveying the property so sold, but without covenant or warranty, express or implied, Grantor hereby agrees to surrender, immediately and without demand, possession of said property to such purchaser.

(11) Trustee shall apply the proceeds of any such sale to payment of: expenses of sale and all charges and expenses of Trustee and of these Trusts, including costs of evidence of title and Trustee's fee in connection with sale; all sums expended under the terms hereof, not then repaid, with accrued interest at the rate of ten per cent (10%) per annum; all other sums then secured hereby, and the remainder, if any, to the person or persons legally entitled thereto.

(12) The Beneficiary or assigns may, at any time, by instrument in writing, appoint a successor or successors to the Trustee named herein or acting hereunder, which instrument, executed and acknowledged by beneficiary, and recorded in the Office of the County Recorder of the County or Counties wherein said property is situated, shall be conclusive proof of the proper substitution of such successor or trustees, who shall have all the estate, powers, duties and trusts in the premises vested in or conferred on the original Trustee. If there be more than one Trustee, either may act alone and execute the Trusts upon the request of the Beneficiary and his acts shall be deemed to be the acts of all Trustees, and the recital in any conveyance executed by such sole trustee of such requests shall be conclusive evidence thereof, and of the authority of such sole Trustee to act.

(13) 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.

(14) Trustee accepts these trusts when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law.

(15) In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural, and the term Beneficiary shall include any future holder, including pledgees, of the note secured hereby.

(16) Where not inconsistent with the above the following covenants, No. 1; 2 (\$); 3; 4 (10%); 5; 6; 7 (%); 8; of NRS 107.030 are hereby adopted and made a part of this Deed of Trust.

REQUEST FOR FULL RECONVEYANCE

To be used only when note has been paid.

To: WASHOE TITLE GUARANTY COMPANY, Trustee

Dated _____

The undersigned is the legal owner and holder of all indebtedness secured by the within Deed of Trust. All sums secured by said Deed of Trust have been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel all evidences of indebtedness, secured by said Deed of Trust, delivered to you herewith together with said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, the estate now held by you under the same.

MAIL RECONVEYANCE TO: _____

By _____

By _____

Do not lose or destroy this Deed of Trust OR THE NOTE which it secures. Both must be delivered to the Trustee for cancellation before reconveyance will be made.

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EXHIBIT "A"

PARCEL 1

Situate in the County of Eureka, State of Nevada, more particularly described as follows:

Township 20 North, Range 49 East, M.D.B.&M.

Section 8: North 1/2 of the Southeast 1/4.

Section 9: Southwest 1/4.

Section 15: South 1/2 of the Northwest 1/4; North 1/2 of the Southwest 1/4; Northwest 1/4 of the Southeast 1/4.

Section 16: Northeast 1/4; Northeast 1/4 of the Northwest 1/4.

Township 21 North, Range 48 East, M.D.B.&M.

Section 10: Northeast 1/4 of the Southwest 1/4; Northwest 1/4 of the Southeast 1/4; South 1/2 of the Southeast 1/4.

Section 35: Northeast 1/4 of the Southwest 1/4; Northwest 1/4 of the Southeast 1/4.

Township 22 North, Range 48 East, M.D.B.&M.

Section 36: Northeast 1/4; North 1/2 of the Southeast 1/4; and Lot 4.

Township 22 North, Range 49 East, M.D.B.&M.

Section 31: Lots 1 and 2.

EXCEPTING FROM the West 1/2 of the Northeast 1/4 of Section 36, Township 22 North, Range 48 East, M.D.B.&M., all the oil and gas as reserved in Patent executed by UNITED STATES OF AMERICA recorded February 5, 1962 in Book 26 of Deeds at page 175, Eureka County, Nevada, records.

EXCEPTING FROM the South 1/2 of the Northwest 1/4; North 1/2 of the Southwest 1/4; Northwest 1/4 of the Southeast 1/4 of Section 15, the Northeast 1/4 of the Northeast 1/4 and the South 1/2 of the Northeast 1/4 of Section 16, Township 20 North, Range 49 East, M.D.B.&M., all the oil, gas potash and sodium as reserved in Patent executed by UNITED STATES OF AMERICA recorded December 2, 1965, in Book 9 of Official Records at page 195, Eureka County, Nevada.

PARCEL 1 (Continued). . . .

LEGAL DESCRIPTION (Page 1 of 2 Pages)

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EXHIBIT "A" (Continued)

PARCEL 1 (Continued). . . .

FURTHER EXCEPTING from all of the above described lands one-half of all oil, gas or other mineral rights of any name or nature as reserved by PIETRINA ETCHEGARAY, et al., in Deed recorded June 20, 1966 in Book 11 of Official Records at page 37, Eureka County, Nevada.

PARCEL 2

Situate in the County of Lander, State of Nevada, more particularly described as follows:

Township 21 North, Range 48 East, M.D.B.&M.

Section 19: Southeast 1/4 of the Southwest 1/4; South 1/2 of the Southeast 1/4.

Section 29: North 1/2 of the North 1/2; South 1/2 of the Northwest 1/4; Southwest 1/4 of the Northeast 1/4.

Section 30: East 1/2 of the Northwest 1/4; Northeast 1/4; Northwest 1/4 of the Southeast 1/4.

Parcels 1 and 2 are together with all buildings, fixtures and improvements of grantor situate on said land.

All springs, wells and water rights, adjudicated, appropriated, decreed, vested or appurtenant to each parcel, including all permits, applications, proofs and maps therefor, and all dams, ditches diversions, canals, pipelines, well casings, well pumping equipment, troughs, and all other means, methods, systems of using water and water rights and applying them to beneficial use on each parcel, and including, but not limited to all stock water and stock water rights for use on said land.

All easements, rights-of-way and licenses appurtenant to or used in connection with said land.

All corrals, fences, stock water troughs, water tanks, and pipelines and stock water and domestic water systems on the said land.

All right, title, interest and estates grantor has in and to all geothermal resources, geothermal energy, coal, oil, gas, oil shales and minerals of every kind and nature whatsoever (including, but not limited to, barium sulfate, uranium, fissionable materials, metals and other minerals), existing upon, beneath the surface of, or within the described land, and all mines therefor, with all leases of interest therein, and all rentals, royalties and other consideration payable to grantor.

RECORDED AT REQUEST OF
Washoe Title Guaranty Co.
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OFFICIAL RECORDS
FOREMAN COUNTY, NEVADA
V.M. REBALEATI, RECORDER
FILE NO. 104253
FEES: 2.00

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