

NOTICE OF BREACH AND ELECTION TO SELL
UNDER DEED OF TRUST, SECURITY AGREEMENT
AND ASSIGNMENT OF PROCEEDS

NOTICE IS HEREBY GIVEN AS FOLLOWS:

1. Eureka Ventures, a Texas joint venture, as Grantor, executed and delivered that certain Deed of Trust, Security Agreement and Assignment of Proceeds (the "Deed of Trust") dated August 26, 1986, to First American Title Company of Nevada, as Trustee, to secure obligations in favor of Inspectorate International Finance N.V., a corporation ("Inspectorate"), as beneficiary, as described in that certain Agreement with respect to the Arrangement of Credit dated as of August 22, 1986, between Grantor and Inspectorate, which Deed of Trust was recorded on September 22, 1986, in Book 149, Page 053 of the Official Records of Eureka County, Nevada, as File No. 104900 in the Office of the Eureka County Recorder, Eureka, Nevada.

2. Inspectorate, by Assignment dated August 9, 1990, assigned all its rights, titles and interests in and to the Deed of Trust and the indebtedness secured by the Deed of Trust, together with all other documents securing such indebtedness or executed in connection therewith, to Summit Minerals, Inc., a Colorado corporation, which Assignment is filed for record with the Office of the Eureka County Recorder, Eureka, Nevada. As used hereinafter, the term "Beneficiary" shall refer to Summit Minerals, Inc.

3. Breaches of the obligations for which the Deed of Trust is security have occurred as follows:

A. The failure to pay all amounts due under the \$3,300,000 note guaranteed by Beneficiary pursuant to the Agreement with respect to Arrangement of Credit and under which Beneficiary has been required to pay the principal sum of \$3,300,000 plus interest, together with costs and expenses incurred by Beneficiary for any legal fees incurred in connection with the obligations, all as required by the Deed of Trust;

B. Breach under Section 4.1(c) of the Deed of Trust for the failure of Grantor to promptly pay or cause to be paid when due and owing all sums payable with respect to the Collateral (as defined in the Deed of Trust) and all expenses incurred from the operation and development of the Collateral;

C. Breach under Section 4.1(e) of the Deed of Trust for the failure to cause the Collateral to be kept free and clear of any liens, charges, encumbrances and adverse claims.

3. By specifying the above breaches, Beneficiary does not waive any and all other breaches and defaults now existing or which may exist in the future.

4. By reason of the above breaches and defaults, it is hereby declared that the obligations secured by the Deed of Trust are immediately due and payable and notice is hereby given of the election of Beneficiary to cause the Trustee to sell the property described in the Deed of Trust to satisfy the obligations secured thereby.

5. NRSA Section 107.080 permits certain defaults to be cured and reinstatement to occur upon the payment of the amounts required by that Section without requiring payment of that portion of principal and interest which would not be due had no default

occurred. When reinstatement is possible, if the default is not cured within 35 days following recording and mailing of this Notice to Grantor or Grantor's successor in interest, the right of reinstatement will terminate and the collateral defined in and covered by the Deed of Trust may thereafter be sold.

~~A notice of breach and election to sell dated May 23, 1997, had been previously recorded in Book 197, Page 060 of the Official Records of Eureka County, Nevada, as File No. 127274 in the Office of the Eureka County Recorder, Eureka, Nevada, and this notice of breach and election to sell is being issued in order to give notice of the new Beneficiary and to the Guarantors of the obligations secured by the Deed of Trust as provided in Section 207.000 of Nevada Revised Statutes.~~

EXECUTED this 11th day of September 1990.

SUMMIT MINERALS, INC.

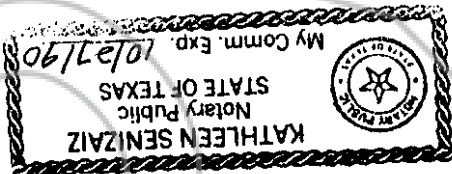
By:

Marc Mathys, Vice President

THE STATE OF TEXAS \$
COUNTY OF HARRIS \$

This instrument was acknowledged before me on the 11th day of September, 1990, by Marc Mathys, Vice President of Summit Minerals, Inc., a Colorado corporation, on behalf of said corporation.

[SEAL]



Printed or Stamped Name of Notary
My Commission Expires:

Notary Public in and for
The State of Texas

Kathleen Senizaiz

B24664.000/091190

RETURN TO:
SCHLANGER, COOK, COHN,
MILLS & GROSSBERG
5847 SAN FELIPE, SUITE 1700
HOUSTON, TEXAS 77057

Leaf

OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
BOOK 214 PAGE 261
Schlanger, Cook, Cohn -
Mills & Grossberg -
90 SEP 20 P 4:50
EUREKA COUNTY RECORDER
M.N. REDEALTY RECORDER
FILE NO. 6
FEE \$ -

133650