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MORTGAGE AGREEMENT

THIS MORTGAGE AGREEMENT is made and entered into this 9th day of May, 1995, by and between ROBERT O. BURNHAM and ELAINE W. BURNHAM, whose address is P.O. Box 206, Eureka, Nevada 89316, (hereinafter referred to as "Mortgagor") and CAROL W. ANDERSON, whose address is 3367 West 4140 South, West Valley City 84119 (hereinafter referred to as "Mortgagee").

WITNESSETH, that in consideration of the premises and in order to secure the payment of both the principal and interest and any other sums payable on the Note (as hereinafter defined) or this Mortgage and the performance and observance of all of the provisions hereof and of said Note, Mortgagor hereby grants, warrants, conveys, assigns, transfers, mortgages, and sets over unto Mortgagee, all of Mortgagor's estate, right, title and interest in, to and under all that certain real property in the County of Eureka, State of Nevada, more particularly described in Exhibit "A", attached hereto and made a part hereof, together with all buildings, structures and improvements of every nature whatsoever, now or hereafter located on said real property and all fixtures, appliances, furnishings, heating and air conditioning equipment, and machinery thereof (other than those owned by lessees of said real property) now or hereafter affixed to, attached to, placed upon, or used in any way in connection with the use and occupancy, of the said real property, all licenses and permits used or required in connection with the use of said real property, all leases of said real property now or hereafter entered into and all right, title and interest of Mortgagor thereunder, including without limitation, all rents, issues, proceeds, and profits from said real property and together with all proceeds of the conversion, voluntary or involuntary, of any of the foregoing into cash or liquidated claims, including, without limitation, proceeds of insurance and condemnation awards. The foregoing real property is hereinafter referred to collectively as the Mortgaged Property.

Mortgagor hereby covenants with the Mortgagee that Mortgagor has good and marketable title to an indefeasible fee estate in the real property comprising the Mortgaged Property; that said Mortgaged Property is subject to no lien, charge or encumbrance except such as Mortgagee has agreed to accept in writing and Mortgagor covenants that this Mortgage is and will remain a valid and enforceable mortgage on the Mortgaged Property subject only to the exceptions herein provided. Mortgagor has full power and lawful authority to mortgage the Mortgaged Property in the manner and form herein done. Mortgagor will preserve such title and will forever warrant and defend the same to Mortgagee and will forever warrant and defend the validity and priority of the lien hereof against the claims of all persons and parties whomsoever.

Mortgagor will, at Mortgagor's cost, promptly and fully perform, execute, and acknowledge and deliver all and every such further acts, deeds, conveyances, mortgages, assignments, notices of assignment, transfers and assurances as shall from time to time be required by Mortgagee in order to preserve the priority of the lien of this Mortgage or to facilitate the performance of the terms hereof.

If Mortgagor shall well and truly pay to Mortgagee Mortgagor's indebtedness, as evidenced by that certain promissory note (the Note) of even date herewith, or any renewal or replacement of such Note, executed by Mortgagor and payable to the order of Mortgagee, with interest and upon the terms as provided therein, and together with all other sums advanced by Mortgagee to or on behalf of Mortgagor pursuant to the Note or this Mortgage, the final maturity date of the Note and this Mortgage, as specified in the Note, and shall perform all other covenants and conditions of the Note, all of the terms of which Note are incorporated herein by reference as though set forth fully herein, and of any renewal, extension or modification thereof and of this Mortgage, then this Mortgage and the estate hereby created shall cease and terminate.

Mortgagor covenants and agrees with Mortgagee as further set out below.

1. Payment. To pay all sums, including interest secured hereby, when due, payable by virtue of the Note and any renewal, extension or modification thereof, to be payable in lawful money of the United States of America at Mortgagee's aforesaid address, or at such other place as Mortgagee may hereafter designate in writing.

2. Taxes.

a. To pay when due, all taxes, water rates, assessments of any type or nature and other charges levied or assessed against the Mortgaged Property or this Mortgage and produce proof thereof upon demand. To immediately pay and discharge any claim, lien or encumbrance against the Mortgaged Property which may be or become superior to this Mortgage and to permit no default or delinquency on any other lien, encumbrance or charge against the Mortgaged Property.

b. To pay promptly all taxes and assessments assessed or levied under and by virtue of any state, federal, or municipal law or regulation hereafter passed, against Mortgagee upon this Mortgage or the debt hereby secured, or upon its interest under this Mortgage; provided, however, that the total amount so paid for any such taxes pursuant to this paragraph together with the interest payable on said indebtedness shall not exceed the highest rate of interest permitted by law and provided that in the event of the passage of any such law or regulation imposing a tax or assessment against Mortgagee, upon this Mortgage or the debt secured hereby, that the entire indebtedness secured by this Mortgage shall thereupon become immediately due and payable at the option of Mortgagee.

3. Insurance. To keep the Mortgaged Property insured against loss or damage by fire, and all perils insured against by an extended coverage endorsement, and such other risks and perils as Mortgagee in its discretion may require. The policy or policies of such insurance shall be in a form of general use in the locality in which the Mortgaged Property is situated, be in such amount as Mortgagee may reasonably require, be issued by a company or companies approved by Mortgagee, and shall contain a standard mortgagee clause with loss payable to Mortgagee as its interests may appear. Any and all amounts received by Mortgagee under any of such policies may be applied by Mortgagee on the indebtedness secured hereby in such manner as Mortgagee may, in its sole discretion, elect or, at the option of Mortgagee, the entire amount so received or any part thereof may be released. Neither the application nor the release of any such amounts shall cure or waive any default.

4. Alterations; Modifications. To first obtain the written consent of Mortgagee, such consent not to be unreasonably withheld, before:

a. removing or demolishing any building now or hereafter erected on the premises;

b. altering the arrangement, design or structural character thereof;

c. making any repairs which involve the removal of structural parts or the exposure of the interior of such building to the elements; or,

d. entering into or modifying any leases of the Mortgaged Property.

5. Waste; Repairs. To maintain the Mortgaged Property in good condition and repair, and to not commit or permit any waste thereof. Mortgagee shall have the right to inspect the Mortgaged Property on reasonable notice to Mortgagor.

6. Applicable Laws. To comply with all laws, ordinances, regulations, covenants, conditions and restrictions applicable to the Mortgaged Property, and not to cause or permit any violation thereof.

7. Advancements.

a. If Mortgagor fails to pay any claim, lien or encumbrance which is superior to this Mortgage, or when due, any tax or assessment or insurance premium, or to keep the Mortgaged Property in repair, or shall commit or permit waste, or if there be commenced any action or proceeding affecting the Mortgaged Property or the title thereto, or the interest of Mortgagee therein, including, but not limited to, eminent domain and bankruptcy or reorganization proceedings, then Mortgagee, at its option, may pay said claim, lien encumbrance, tax, assessment or premium, with right of subrogation thereunder, may make such repairs and take such steps as it deems advisable to prevent or cure such waste, and may appear in any such action or proceeding and retain counsel therein, and take such action therein as Mortgagee deems advisable, and for any of such purposes Mortgagee may advance such sums of money, including all costs, reasonable attorney's fees and other items of expense as it deems necessary. Mortgagee shall not be held accountable for any delay in making any such payment, which delay may result in any additional interest, costs, charges, expenses or otherwise.

b. Mortgagor will pay to Mortgagee, immediately and without demand, all sums of money advanced by Mortgagee to protect the security hereof pursuant to this Mortgage, including all costs, reasonable attorney's fees and other items of expense, together with interest on each such advancement at the highest rate of interest per annum allowed by law and all such sums and interest thereon shall be secured hereby.

8. Appraisement. All sums of money secured hereby shall be payable without any relief whatsoever from any valuation or appraisement laws.

9. Default.

a. If default be made in payment of any installment of principal or interest of the Note or any part thereof when due, or any other sum hereby, or in performance of any of Mortgagor's obligations, covenants or agreements hereunder, or in any other indebtedness encumbering the real estate herein, regardless of whether said encumbrance is superior to that created by this mortgage deed, all of the indebtedness secured hereby shall become and be immediately due and payable at the option of Mortgagee, in which event Mortgagee may avail itself of all rights and remedies, at law or in equity, and this Mortgage may be foreclosed with all rights and remedies afforded by law and Mortgagor shall pay all costs, charges and expenses thereof, including a reasonable attorney's fee. The indebtedness secured hereby shall bear interest at the highest rate of interest per annum allowed by law from and after the date of any such default of Mortgagor. If the Note provides for installment payments, the Mortgagee may, at its option, collect a late charge as may be provided for in the Note, to reimburse the Mortgagee for expenses in collecting and servicing such installment payments.

b. i. Mortgagee is authorized at any time, without notice, in its sole discretion, to enter upon and take possession of the Mortgaged Property or any part thereof, to perform any acts Mortgagee deems necessary or proper to conserve the security and to collect and receive all rents, issues and profits thereof, including those past due as well as those accruing thereafter; and,

ii. Mortgagee shall be entitled, as a matter of strict right, without notice and ex parte, and without regard to the value or occupancy of the security, or the solvency of the Mortgagor, or the adequacy of the Mortgaged Property as security for the Note, to have a receiver appointed to enter upon and take possession of the Mortgaged Property, collect the rents and profits therefrom and apply the same as the court may direct, such receiver to have all the rights and powers permitted under law; and,

iii. The expense (including receiver's fees, counsel fees, costs and agent's compensation) incurred pursuant to the power herein contained shall be secured hereby. Mortgagee shall (after payment of all costs and expenses incurred) apply such rents, and profits received by it on the indebtedness secured hereby in such order as Mortgagee determines. The right to enter and take possession of the Mortgaged Property, to manage and operate the same, and to collect the rents, issues and profits thereof, whether by a receiver or otherwise, shall be cumulative to any other right or remedy hereunder or afforded by law, and may be exercised concurrently therewith or independently thereof. Mortgagee shall be liable to account only for such rents, issues and profits as actually received by Mortgagee.

c. Default shall include, but not be limited to, non-payment of any respective installment within ten (10) days from the due date set out therein.

10. Consent to Transfer. In the event the Mortgagor, without the prior written consent of the Mortgagee,

a. shall sell, convey, transfer (or shall contract to sell, convey or transfer) the Mortgaged Property or any part thereof or any legal or beneficial interest therein; or,

b. be divested of title or any interest in the Mortgaged Property in any manner or way, whether voluntary or involuntary; or,

c. should lease the entire fee simple interest of the Mortgaged Property (and not simply the improvements and buildings located thereon) not in the ordinary course of business; or,

d. should permit the Mortgaged Property to be further encumbered; the entire balance of the indebtedness evidenced by the Note shall be accelerated and become immediately due and payable, at the option of the Mortgagee, upon thirty (30) days written notice to the Mortgagor. In the event Mortgagee elects to accelerate the entire balance of the indebtedness, Mortgagee shall have no obligation to allege or show any impairment of its security and may pursue any legal or equitable remedies for default without allegation or showing. It is specifically understood by the parties that as a condition of granting its approval required by this paragraph, the Mortgagee may adjust the interest rate stated in the Note.

11. No Waiver. No delay by Mortgagee in exercising any right or remedy hereunder, or otherwise afforded by law, shall operate as a waiver or preclude the exercise thereof during the continuance of any default hereunder. No waiver by Mortgagee of any default shall constitute a waiver of or consent to subsequent defaults. No failure of Mortgagee to exercise any option herein given to accelerate maturity of the debt hereby secured, no forbearance by Mortgagee before or after the exercise of such option and no withdrawal or abandonment of foreclosure proceedings by Mortgagee shall be taken or construed as a waiver of its right to exercise such option or to accelerate the maturity of the debt hereby secured by reason of any past, present or future default on the part of Mortgagor, and, in like manner, the procurement of insurance or the payment of taxes or other liens or charges by Mortgagee shall not be taken or construed as a waiver of its right to accelerate the maturity of the debt hereby secured.

12. Releases, Extension, etc. Without affecting the liability of Mortgagor or any other person (except any person expressly released in writing) for payment of any indebtedness secured hereby or for performance of any obligation contained herein, and without affecting the rights of Mortgagee with respect to any security not expressly released in writing, Mortgagee may, at any time and from time to time, either before or after the maturity of said note, and without notice or consent, release any person liable for payment of all or any part of the indebtedness or for performance of any obligation; make any agreement extending the time or otherwise altering the terms of payment of all or any part of the indebtedness, or modifying or waiving any obligation, on subordinating, modifying or otherwise dealing with the lien or charge hereof; exercise

or refrain from exercising or waive any right Mortgagee may have; accept additional security of any kind; and release or otherwise deal with any property, real or personal, securing the indebtedness, including all or any part of the Mortgaged Property.

13. Superiority. Any agreement hereafter made by Mortgagor and Mortgagee pursuant to this Mortgage shall be superior to the rights of the holder of any subsequent lien or encumbrance.

14. Waiver of Homestead Exemption. Mortgagor hereby waives all right of homestead exemption, if any, in the Mortgaged Property.

15. Condemnation. In the event of condemnation proceedings of the Mortgaged Property, the award or compensation payable thereunder is hereby assigned to and shall be paid to Mortgagee as its interest may appear. Mortgagee shall be under no obligation to question the amount of any such award or compensation and may accept the same in the amount in which the same shall be paid. The proceeds of any award or compensation so received shall, at the option of Mortgagee, either be applied to the prepayment of the Note and at the rate of interest provided therein, regardless of the rate of interest payable on the award by the condemning authority, or at the option of Mortgagee, such award shall be paid over to Mortgagor for restoration of the Mortgaged Property.

16. Notices. Any written notice, demand or request that is required to be made hereunder, or under the Note, or under any other instrument of security for the Note, shall be served in person, or by regular mail, addressed to the party to be served at the address set forth in the first paragraph hereof. The addresses stated herein may be changed as to the applicable party by providing the other party with notice of such address change in the manner provided in this paragraph.

17. Non-transferability. The loan represented by this Mortgage and the Note are personal to the Mortgagor and the Mortgagee made the loan to the Mortgagor based on the credit of the Mortgagor and the Mortgagee's judgment of the ability of the Mortgagor to repay all sums due under this Mortgage; therefore, this Mortgage may not be assumed by any subsequent holder of an interest in the Mortgaged Property. If all or any part of the Mortgaged Property, or any interest therein, is sold, conveyed, transferred (including a transfer by agreement for deed, land trust or land contract) or further encumbered by Mortgagor without Mortgagee's prior written consent, then Mortgagee may declare all sums secured by this Mortgage immediately due and payable.

18. Creation of Additional Encumbrances. Mortgagor covenants and agrees with Mortgagee to first obtain the written consent of Mortgagee, such consent to be granted or withheld at the sole discretion of Mortgagee, before entering into, agreeing or otherwise modifying any mortgage or encumbrance on the Property the effect of which shall be to increase or otherwise augment the principal indebtedness on the property in an amount in excess of the amount which is or would currently be due if all payments had been made according to the standard terms and conditions of the obligation creating said principal indebtedness.

19. Invalidity. In the event any one or more of the provisions contained in this Mortgage or in the Note shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall, at the option of the Mortgagee, not affect any other provisions of this Mortgage, but this Mortgage shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein or therein.

20. Binding Effect. The covenants and agreements herein contained shall bind and the benefits and advantages shall inure to the respective heirs, executors, administrators, personal representatives, successors, and assigns of Mortgagee. Wherever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders. All covenants, agreements and undertakings

shall be joint and several. In the event additional numbered covenants or paragraphs are for convenience inserted in this Mortgage, such additional covenants shall be read and given effect as though following this covenant in consecutive order.

21. Governing Law. This agreement, and all transactions contemplated hereby, shall be governed by, construed and enforced in accordance with the laws of the State of Nevada. The parties herein waive trial by jury and agree to submit to the personal jurisdiction and venue of a court of subject matter jurisdiction located in Eureka County, Nevada. In the event that litigation results from or arises out of this Agreement or the performance thereof, the parties agree to reimburse the prevailing party's reasonable attorney's fees and court costs, in addition to any other relief to which the prevailing party may be entitled.

IN WITNESS WHEREOF, Mortgagor has duly executed and delivered this Mortgage and has intended the same to be and become effective as of the day and year first above written.

Signed, sealed and delivered in the presence of:

"MORTGAGOR"

Elaine W Burnham
ELAINE W. BURNHAM

Robert O. Burnham
ROBERT O. BURNHAM

STATE OF NEVADA)
:ss
COUNTY OF EUREKA)

The foregoing instrument was executed and acknowledged before me this 9th day of May, 1995, by ROBERT O. BURNHAM and ELAINE W. BURNHAM.

WITNESS my hand and official seal in the State and County aforesaid, this 9th day of May, 1995.

Marcia Elliott
Notary Public

MARCIA ELLIOTT
Notary Public - State of Nevada
Appointment Recorded in Eureka County
MY APPOINTMENT EXPIRES DEC. 20, 1997

My commission expires:
December 20, 1997

EXHIBIT "A"

Legal Description

The Northwest Quarter of Section 8, Township 21 North, Range 54 East, Mt. Diablo Base and Meridian.

Together with Water Permit No. 46505 (original No. 19759)

BOOK 282 PAGE 527
OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
Robert O. Burnham
95 MAY -9 AM 11:46
EUREKA COUNTY NEVADA
M.N. REBALEATI, RECORDER
FILE NO. FEE$ 13.00

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