

WHEN RECORDED MAIL TO:
HARLAN K. HILES
1725 Harmony Road
Winnemucca, NV 89445

164951

DEED OF TRUST

THIS DEED OF TRUST, made this 29th day of October,
1996, by and between RUBY HILLS RANCH, LLC, a Nevada Limited
Liability Company, as Trustor, and STEWART TITLE OF NORTHEASTERN
NEVADA, a Nevada Corporation, as Trustee, and HARLAN K. HILES, an
unmarried man, as Beneficiary;

W I T N E S S E T H:

That the said Trustor hereby grants, bargains, sells, conveys
and confirm unto the said Trustee, and to its successors and assigns,
with power to sell, the following described real property situate in
the County of Eureka, State of Nevada, more particularly described as
follows:

K.S.
Parcel B as shown on that certain Parcel Map for
NORBERT J. and EILEEN B. WALTER filed in the office of
the County Recorder of Eureka County, State of Nevada,
on September 7, 1989, as File No. 129537, being a
portion of Lot 3, Section 21, Township 20 North, Range
53 East, MDB&M.

EXCEPTING THEREFROM all the oil and gas lying in and
under said land as reserved by the United States of
America in Patent recorded September 21, 1964, in Book
5, Page 582, File No. 40307, Official Records of
Eureka County, Nevada.

FURTHER EXCEPTING THEREFROM one-half ($\frac{1}{2}$) mineral
rights, oil or gas owned by EDWIN C. BISHOP and LETA
B. BISHOP lying in and under said land as reserved by
EDWIN C. BISHOP and LETA B. BISHOP in Deed recorded
August 23, 1978, in Book 65, Page 317, Official
Records of Eureka County, Nevada.

TOGETHER with any and all buildings and improvements
situate thereon.

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ROSS P. EARDLEY
ATTORNEY AT LAW
489 IDAHO STREET
ELKO, NEVADA 89801

TELEPHONE (702) 738-4046 - FAX (702) 738-6286

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

TO HAVE AND TO HOLD the same unto the Trustee, and to its successors and assigns, upon the trusts, covenants and agreements herein expressed and as security for the payment of a certain Promissory Note of even date herewith, for the principal sum of \$16,000.00, bearing interest from the date thereof at the rate of 9% per annum, said principal sum and interest being payable in annual installments, as more specifically set forth in said Note; said Note being executed by the Trustor herein to the said Beneficiary and payable at Eureka, Nevada, or wherever else said Beneficiary in writing designates. Said Note is hereby referred to and incorporated herein as though set forth in full herein.

This Deed of Trust is also given as security for the payment of any and all monies which the Beneficiary and Trustee, or either of them, may or shall hereafter loan or advance to the Trustor, or advance for its account, even though the said loan or advance may be secured by other mortgage or Deed of Trust and as security for the payment of all other monies that may become due from the Trustor from any cause whatsoever, including the payment of all other monies hereby agreed or provided to be paid by the Trustor, or which may be paid out, or advanced, by the Trustee, or by the Beneficiary, under the provisions of this Deed of Trust.

The Trustor hereby covenants and agrees:

1. The Trustor promises and agrees to properly care for and keep the property herein described, including any fences, buildings

and other improvements thereon, in at least as good a condition of repair and maintenance as the same now are, subject to normal wear and tear, and to care for, protect and maintain any and all buildings situate thereon, and to otherwise protect and maintain said premises and not to commit nor permit any waste or deterioration thereof. The Trustor may make such alterations or improvements as it may desire on said premises, so long as they do not lessen the value of said property, and the Trustor shall pay, when due, all claims for labor performed or material furnished thereon.

2. That the Beneficiary, or his duly authorized agents, shall at all reasonable times have the right to enter upon said premises and inspect the same.

3. The Trustor covenants, warrants and represents that the title conveyed is a fee simple absolute title, free and clear of all encumbrances; that it will forever warrant and defend the title to the premises above mentioned to the Trustee and Beneficiary and their successors and assigns, against all lawful claims and demands of all persons whomsoever.

4. The following covenants Nos. 1, 2(\$ N/A), 3, 4(9%), 5, 6, 7(Reasonable), 8 and 9 of Section 107.030 NRS are hereby adopted and made a part of this Deed of Trust.

5. The reconveyance of this Deed of Trust shall be at the cost and expense of the Trustor, or such other persons entitled to reconveyance.

6. The acceptance by said Beneficiary of any payment of the indebtedness hereby secured shall not operate as a waiver by the Beneficiary of any default by the Trustor made previously to such

payment in any of the covenants or agreements to be made, kept and performed by the Trustor herein provided.

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

8. All the provisions of this instrument shall apply to and bind the legal representatives, successors and assigns of the respective parties hereto, and it is distinctly understood and agreed that the words Trustor, Grantor, Trustee or Beneficiary, as used in this instrument, and any pronoun referring thereto, is intended to and does include the masculine, feminine and neuter genders, and the singular and plural numbers; that the covenants and agreements of the Trustor or Grantor herein shall be construed to be the joint and several covenants and agreements of all persons who sign this instrument; that if any provision of this Deed of Trust be judicially declared invalid, such decision shall not affect the validity of the remaining provisions, and if any sale made hereunder shall be judicially declared invalid or deemed by the Beneficiary to be invalid, such sale shall not exhaust the power of sale, and the Trustee, at the request of the Beneficiary, may proceed anew with the sale of this property, in order to enforce fully the provisions of this Deed of Trust.

9. Said Trustor agrees that the said Trustee, or its successors in interest, shall not incur any liability on account of any act done or omitted to be done, in good faith, under the provisions of this Deed of Trust, and that said Trustee shall be fully protected in acting upon any statement, report, order, notice, request, consent or other paper or document believed to be genuine and signed by the proper parties.

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

RUBY HILLS RANCH, LLC
A Nevada Limited Liability Company

By *William A. Crane*
By *[Signature]*

STATE OF)
) : SS.
COUNTY OF)

This instrument was acknowledged before me on September 27, 1996, by William A. Crane and _____, as _____ of RUBY HILLS RANCH, LLC, a Nevada Limited Liability Company.

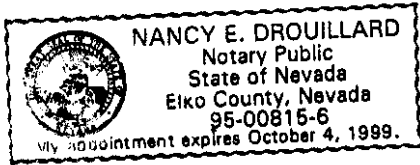
James L. Owens
NOTARY PUBLIC *James L. Owens*
Bay County, Acting as Saginaw
County, Michigan
My Commission Expires: 11-13-99

STATE OF NEVADA)

COUNTY OF Eureka)

On this 22nd day of October, 1996, before me,
a Notary Public, appeared John A. Sowley,
personally known or proved to me to be the person(s) whose name(s)
are/is subscribed to the above instrument who acknowledged that
he executed the instrument.

Nancy E. Drouillard
NOTARY PUBLIC



COPY

BOOK 302 PAGE 202
OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
Stewart Jupp
96 OCT 29 PM 2:16
EUREKA COUNTY NEVADA
M.M. REBALEATI, RECORDER
FILE NO. FEES 12.00

164951

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