

DEED OF TRUST

THIS DEED OF TRUST, made this 15<sup>th</sup> day of April, 1997, by and between JEFFREY A. LYNN, an unmarried man, and JUDITH C. MAYER-LYNN, an unmarried woman, as Trustors, and FIRST AMERICAN TITLE COMPANY OF NEVADA, as Trustee, and WALTER J. PUZIA, an unmarried man, as Beneficiary;

W I T N E S S E T H:

That the said Trustors hereby grant, bargain, sell, convey 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:

TOWNSHIP 31 NORTH, RANGE 48 EAST, MDB&M.

Section 9: Lots 6 and 11

EXCEPTING THEREFROM all petroleum, oil, natural gas and products derived therefrom, within or underlying said land or that may be produced therefrom, together with the exclusive right at all times to enter upon or in said land to prospect for and to drill, bore, recover and remove the same as reserved by SOUTHERN PACIFIC LAND COMPANY in Deed recorded September 24, 1951, in Book 24, Page 168, Official Records, Eureka County, Nevada.

TOGETHER with any and all buildings and improvements situate thereon.

TOGETHER with any and all gas, oil, mineral and geothermal rights now owned or held by the Trustors in connection with said property or in any way appurtenant thereto, and all rights to any products derived

-1-

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

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

BOOK 307 PAGE 417

therefrom and any and all rights pertaining to the mining, development and use thereof.

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 \$8,000.00, bearing interest from April 3, 1997, at the rate of 8% per annum, said principal sum and interest being payable in monthly installments, as more specifically set forth in said Note; said Note being executed by the Trustors 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 Trustors, or either of them, or advance for their 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 Trustors, or either of them, from any cause whatsoever, including the payment of all other monies hereby agreed or provided to be paid by the Trustors, or which may be paid out, or advanced, by the Trustee, or by the Beneficiary, under the provisions of this Deed of Trust.

The Trustors hereby covenant and agree:

1. The Trustors promise and agree 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 Trustors may make such alterations or improvements as they may desire on said premises, so long as they do not lessen the value of said property, and the Trustors 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 Trustors covenant, warrant and represent that the title conveyed is a fee simple absolute title, free and clear of all encumbrances; that they 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(\$ 500), 3, 4(8%), 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 Trustors, 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 Trustors made previously to such payment in any of the covenants or agreements to be made, kept and performed by the Trustors herein provided.

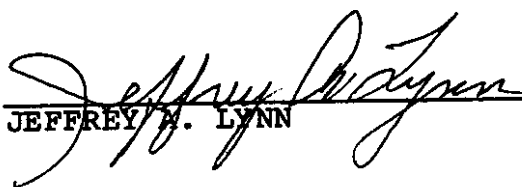
7. The Trustors hereby covenant and agree that neither the acceptance nor existence, now or hereafter, of any other security for the indebtedness secured hereby, nor the release thereof, shall operate as a waiver of the security of this Deed of Trust, nor shall this Deed of Trust, nor its satisfaction,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

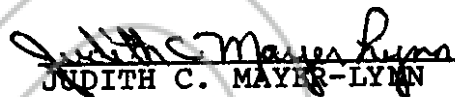
8. All the provisions of this instrument shall apply to and bind the legal representatives, successors and assigns of the respective parties hereto, and it is distinctly understood and agreed that the words Trustors, Grantors, Trustee or Beneficiary, as used in this instrument, and any pronoun referring 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 Trustors or Grantors 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 Trustors agree 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.

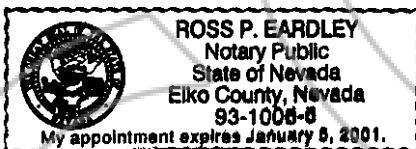
IN WITNESS WHEREOF, the said Trustors have executed these presents the day and year first above written.

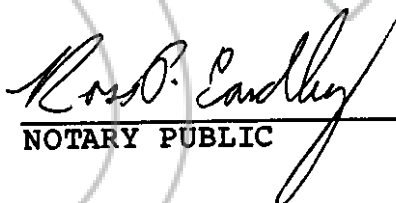
  
JEFFREY A. LYNN

  
JUDITH C. MAYER-LYNN

STATE OF NEVADA       )  
                              : SS.  
COUNTY OF Elko       )

This instrument was acknowledged before me on April 15,  
1997, by JEFFREY A. LYNN.

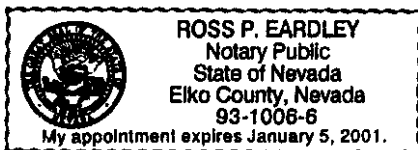


  
NOTARY PUBLIC



STATE OF NEVADA )  
COUNTY OF E/ro ) SS.

This instrument was acknowledged before me on April 16,  
1997, by JUDITH C. MAYER-LYNN.



Ross P. Eardley  
NOTARY PUBLIC

BOOK 307 PAGE 417  
OFFICIAL RECORDS  
RECORDED AT THE REQUEST OF  
Ross P. Eardley  
97 APR 18 PM 2:20

EUREKA COUNTY NEVADA  
M.N. REBALEATI, RECORDER  
FILE NO. FEES 12.00

166708

BOOK 307 PAGE 422