

APN: #06-070-03; 06-0-04; 06-150-02;  
 06-160-02; 06-240-015-240-02; 06-240-04;  
 06-260-01; and 06-2711

**175734**  
**DEED OF TRUST**

THIS DEED OF TRUST is made this 11 day of January, 2001, by and between **THOMAS CONNOLLY** and **VOLINA L. CONNOLLY**, hereinafter called "Grantor"; **TITLE SERVICE AND ESCROW COMPANY**, as Trustee; and **GEORGE PENOLA** and **EDNA PENOLA**, husband and wife, as community property with right of survivorship, and their heirs and the heirs, executors, administrators, successors, and assigns of the survivor forever, hereinafter called "Beneficiary," it being specifically understood that any and all references the words "Grantor" and "Beneficiary" shall include the masculine, feminine, and neuter genders, and singular and plural, as indicated by the context and number of parties hereto;

**WITNESSETH:**

That Grantor hereby grants, transfers and assigns to the Trustee in trust, with power of sale, all of the following described real property ("Property") situate in the County of Eureka, State of Nevada, more particularly described on Exhibit "A" attached hereto, made a part hereof and incorporated herein.

**TOGETHER WITH** all fences, corrals, buildings and other fixtures and improvements thereon.

**TOGETHER WITH** all of Grantor's right, title and interest in and to all oil, gas, geothermal resources, and minerals existing as a part of, upon, beneath the surface of or within said lands, including any mineral leases thereon.

**TOGETHER WITH** all of Grantor's right, title and interest in and to all rights, privileges, preferences, permits and licenses to graze and/or to trail livestock upon the federal domain administered by the Bureau of Land Management, in the Grass Valley and Bauman Buckhorn Allotment, together with all cooperative agreements and range improvements used in connection with said grazing permit.

**TOGETHER WITH** all water, water rights, dams, ditches, canals, pipelines, culverts, diversions, reservoirs, springs, wells, pumps, pump installations, rights of way, easements and all other means for the diversion or use of water appurtenant to the said property or any part thereof, now or hereafter used or enjoyed in connection therewith, for irrigation, stock watering, domestic or any other use, or drainage of all or any part of said lands, including vested water rights, permitted

water rights, decreed water rights and certificated water rights arising under laws of the State of Nevada, together with all certificates of appropriation, applications, proofs, permits and maps relating to such water a water rights which are appurtenant to the above-described real prerty, or any part thereof, or used or enjoyed in connection therewith or with federal domain grazing lands appurtenant or attached thereto.aid water rights include, without limitation, those water rights more picularly described on Exhibit "B" attached hereto and made a part hereof.

**TOGETHER WITH** the tenements, hereditaments, and appurtenances thereunbelonging or in anywise appertaining, and the reversion and reversio. remainder and remainders, rents, issues, and profits thereof.

**GRANTOR ABSOLUTELY AND UNCONDITIONALLY ASSIGNS**, transfers, conveys and s over to Beneficiary all the rents, royalties, issues, profits, revenue, income and other bens of said Property arising from the use or enjoyment of all or any portion thereof or fromy lease, mineral lease, or agreement pertaining thereto (collectively the "Rents"); **SUBJECT, HOWEVER**, to the right, power and authority given to and conferred upon Grantor Paragraph 9 hereof.

**TO HAVE AND TO HOLD** the same unto said Trustee and its successors, in trust, to secure the permance of the following obligations, and payment of the following debts:

**ONE:** yment of an indebtedness evidenced by those certain Promissory Notes of even date hereof in the principal amounts of ONE HUNDRED TWENTY THOUSAND AND 00/100 DOLLARS (\$120,000.00) and THREE HUNDRED THOUSAND AND 00/100 DOLLARS (\$300,000.00), respectively, with interest thereon, expenses, attorney's fees and otl payments therein provided, executed and delivered by the Grantor payable to the Beneficiary or order, and any and all extensions or renewals thereof.

**TWO:** yment of such additional amounts as may be hereafter loaned by the Beneficiary to the Grant, or any successor in interest of the Grantor, with interest thereon, expenses and attorney's fees, and any other indebtedness or obligations of the Grantor to the Beneficiary.

**THREE** Payment of all other sums with interest thereon becoming due or payable under the provons hereof to either Trustee or Beneficiary.

**FOUR** Payment, performance and discharge of each and every obligation, covenant, promise and agreement of Grantor herein contained and of all renewals, extensions, revisions and amendms thereof and any other indebtedness or obligations secured hereby.

To protect the security of this Deed of Trust, it is agreed as follows:

1. The Beneficiary has the right to record notice that this Deed of Trust is security for additional amounts and obligations not specifically mentioned herein but which constitute indebtedness obligations of the Grantor for which the Beneficiary may claim this Deed of Trust as security.

2. The Grantor shall:

Maintain, care for and keep the property herein described and all buildings, fences, corrals, stock watering facilities, dams, ditches, diversions, wells, pumping equipment, and all other structures, improvements and fixtures now thereon or hereafter placed thereon at least the condition, order and repair existing on the date of this Deed of Trust, subject to reasonable normal wear and depreciation, replacement, substitution or improvement as herein provided;

Not remove or demolish all or any portion of any buildings, fences, corrals, water troughs, windmills, other fixtures or improvements now situated thereon or hereafter placed thereon unless:

The same is replaced, improved or substituted therefor by a like item of at least equal value, quality and use; or

Beneficiary consents in advance; or

Such removal or demolition does not reduce the value of the security as an operating ranch below its value as of the date of this Deed of Trust;

Not commit or permit any waste of the Property and the buildings, improvements and fixtures thereon;

Farm, maintain, irrigate, harvest, and graze the meadow and pasture areas of the premises with good husbandry practices and in a good ranching manner.

Properly maintain, put to beneficial use and utilize all wells and water rights appurtenant, appropriated, certificated or decreed to, or used in connection with, any portion of the premises so as not to allow any water rights to be jeopardized, diminished, reduced, damaged, or lost;

Graze and manage the grazing areas of the lands subject to this Deed of Trust in the manner recognized as good range management in the grazing unit or area in which the lands subject hereto are located;

Apply for active use or utilize or take nonuse of all rights, privileges, preferences, demands, licenses, permits and leases to graze livestock upon lands administered by the Bureau of Land Management based upon all or any portion of the lands subject to this Deed of Trust and to do all other things reasonably necessary to prevent the loss of, or permanent reduction in such grazing rights, privileges, preferences, demands, licenses, permits and leases through the acts or omissions of Grantor;

Not do nor permit to be done, by act or omission, anything which shall impair, lessen, diminish, devalue or deplete the security hereby given; and,

Operate the ranch according to the dictates of good ranch, soil, plant, water and range management common in the area of the ranch.

3. Grantor further covenants and agrees, during Grantor's possession, ownership and/or operation of the Property, as follows:

Grantor will not use, generate, manufacture, produce, store, release, discharge, or pose of on, under or about the Property or transport to or from the Property any Hazardous substance as defined herein or allow any other person or entity to do so, except for the proper and lawful use of substances customarily used in ranching and agricultural activities..

Grantor shall keep and maintain the Property in compliance with, and shall not cause or permit the property to be in violation of any Environmental Law as defined herein or any separate agreement with Beneficiary regarding the property.

Grantor shall give prompt written notice to Beneficiary of:

Any proceeding or inquiry by any government authority with respect to the presence of any Hazardous Substance on the property or the migration thereof from or to other property;

All claims made or threatened by any third party against the Grantor or the property relating to loss or injury from any Hazardous Substance;

Grantor's discovery of any occurrence or condition on the property or adjoining real property or in the vicinity of the property that could cause the property or part thereof to be subject to any restrictions on the ownership, occupancy, transferability or use of the property under any Environmental Law.

Beneficiary shall have the right to join and participate in, as a party if it so elects, any legal proceedings or actions initiated in connection with any Environmental Law and have its attorneys' fees in connection therewith paid by Grantor, provided that Grantor will have first failed to actively participate, or to continue to actively participate, in such proceedings or actions.

Grantor shall protect, indemnify and hold harmless Beneficiary and its representative employees, agents, successors and assigns from and against any and all loss, damage, cost, expense or liability (including attorneys' fees and costs) directly or indirectly arising out of or attributable to the use, generation, manufacture, production, storage, release, threatened release, discharge, disposal, or presence of a Hazardous Substance on, under or about the Property during Grantor's possession, ownership or operation of the Property, including without limitation (i) all foreseeable consequential damages; and (ii) the costs of any required or necessary repair, cleanup or detoxification of the property and the preparation and implementation of any cleanup, remedial or other required plans. This indemnity shall survive the reconveyance of the lien of this Deed of Trust, or the extinguishment of the lien by foreclosure or action in lieu thereof, and this covenant shall survive such reconveyance or extinguishment.

In the event that any investigation, site, monitoring, containment, cleanup, removal, restoration or other remedial work of any kind or nature (the "Remedial Work") is reasonably necessary or desirable under any applicable local, state or federal law or regulation, any judicial order, or by any governmental or nongovernmental entity or person because of, or in connection with, the current or future presence, suspected presence, release or suspected release of a Hazardous Substance in or into the air, soil, groundwater, surface water or soil vapor at, on, under or within the property (or any portion thereof), Grantor shall within thirty (30) days after written demand for performance thereof by Beneficiary (or such shorter period of time as may be required under any applicable law, regulation, order or agreement), commence to perform, or cause to be commenced, and thereafter diligently prosecute to completion all such Remedial Work at Grantor's cost. In the event Grantor shall fail to timely commence, or cause to be commenced, or fail to diligently prosecute to completion, such Remedial Work, Beneficiary may, but shall not be required to, cause such Remedial Work to be performed and all costs and expenses thereof, or incurred in connection therewith, shall become part of the indebtedness secured hereby.

"Environmental Laws" shall mean any federal, state or local law, statute, ordinance or regulation pertaining to health, industrial hygiene or the environmental conditions on, under or about the property, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA") as amended, 42 U.S.C. Sections 9601 et seq. and the Resource Conservation and Recovery Act of 1976 ("RCRA"), 42 U.S.C. Sections 6901 et seq.

The term "Hazardous Substance" shall include without limitation:

- ) Those substances included within the definitions "hazardous substances", "hazardous materials," "toxic substances" or "solid waste" in CERCLA, RCRA and the Hazardous Materials Transportation Act, 49 U.S.C. Sections 1801 et seq. and in the regulations promulgated pursuant to said laws;
- ) Those substances defined as "hazardous wastes," "hazardous substances" or "PCB" in applicable State statutes, as amended from time to time, and in the regulations promulgated pursuant to said laws;
- ) Those substances listed in the United States Department of Transportation Table (49 CFT 172.101 and amendments thereto) or by the Environmental Protection Agency (or any successor agency) as hazardous substances (40 CFR Part 302 and amendments thereto);
- ) Such other substances, materials and wastes which are or become regulated under applicable local, state or federal law, which are classified as hazardous or toxic under federal, state or local laws or regulations; and
- ) Any material, waste or substance which is (A) petroleum; (B) asbestos; (C) polychlorinated biphenyls; (D) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act, 33 U.S.C. Sections 1251 et seq. (33 U.S.C. Sections 1321) or listed pursuant to Section 3078 of the Clean Water Act (33 U.S.C. Section 1317); (D) flammable explosives; or (F) radioactive materials.

Any reference herein to statutory or regulatory sections shall be deemed to include any amendments thereto and any successor sections.

4. The following covenants, Nos. 1; 2 (insurable value); 3; 4 (12%); 5; 6; 7 (reasonable); 8; and of N.R.S. 107.030, are hereby adopted and made a part of this Deed of Trust. In connection with Covenant No. 6, it shall be deemed to include and apply to all conditions, covenants and agreements contained herein in addition to those adopted by reference, and to any and all defaults or deficiencies in the performance of this Deed of Trust.

5. All payments secured hereby shall be paid in lawful money of the United States of America.

6. The Beneficiary and any persons authorized by the Beneficiary shall have the right to enter on and inspect the premises at all reasonable times.



7. default be made in the performance or payment of the obligation(s), note(s) or debt(s) secured hereby, or in the performance of any of the terms, conditions, and covenants of the Deed of Trust, or the payment of any sum or obligation to be paid hereunder, or upon the occurrence of any act or event of default hereunder, and such default is not cured within thirty-five (35) days after written notice of default and of election to sell said Property given in the manner provided by N.R.S. 107.080 as in effect on the date of this Deed of Trust, Beneficiary may declare all obligations, notes, debts, and sums secured hereby or payable hereunder immediately due and payable although the date of maturity has not yet arrived.

8. In the case of condemnation of the Property subject hereto, or any part thereof, by paramount authority, all of any condemnation award to which the Grantor shall be entitled, less costs and expenses of litigation, is hereby assigned by the Grantor to the Beneficiary, to the extent the Beneficiary is entitled thereto, who is hereby authorized to receive and receipt for same, and apply such proceeds as received, toward the payment of the indebtedness hereby secured, whether due or not.

9. Grantor hereby gives to and confers upon Beneficiary the right, power and authority, during continuance of these trusts, to collect the rents, issues and profits of the property, **RESERVING UNTO GRANTOR, HOWEVER,** the right, prior to any default by Grantor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default Beneficiary may at any time by a receiver or agent, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said Property or any part thereof, and/or in the Beneficiary's own name sue for or otherwise collect such rents, issues and profits (including those past due and unpaid), and apply the same less costs and expenses of operation and collection, including reasonable attorneys' fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

10. The Promissory Notes secured by this Deed of Trust are made a part hereof as if fully hereinafter set out.

11. The commencement of any proceeding under the bankruptcy or insolvency laws by or against Grantor, or against any guarantor of any guaranty secured hereby; or the appointment of a receiver for any of the assets of any Grantor hereof or any guarantor of any guaranty secured hereby; or the making by Grantor or any guarantor of any guaranty secured hereby of a general assignment for the benefit of creditors, shall constitute a default under this Deed of Trust.

12. Default under any other Deed of Trust, mortgage, contract, or other instrument, which is, which creates, a lien, encumbrance, charge or interest of any nature on or in any of the property subject hereto having priority over any lien, right or interest created or existing under this Deed of Trust, or failure to pay or discharge when due any obligation which is secured by, or which constitutes a lien, encumbrance, charge or interest of

any nature on or in any property subject hereto having priority over any lien, right or interest created or existing under this Deed of Trust, whether such obligation or the lien thereof is created by writing or otherwise, shall constitute a default under this Deed of Trust.

13. To the extent permitted by the laws of the State of Nevada, Grantor agrees to pay any deficiency arising from any cause after application of the proceeds of any sale held in accordance with the provisions hereof and agrees to pay all costs and reasonable attorneys' fees incurred in any action brought to collect said deficiency.

14. The rights and remedies herein granted shall not exclude any other rights or remedies granted by law, and all rights or remedies granted hereunder or permitted by law shall be concurrent and cumulative.

15. All the provisions of this instrument shall inure to and bind the heirs, legal representatives, successors, and assigns of each party hereto respectively as the context permits. All obligations of each Grantor hereunder shall be joint and several.

16. Any notice given to Grantor under Section 107.080 of Nevada Revised Statutes in connection with this Deed of Trust shall be given by registered or certified letter to the Grantor at the address set forth near the signature on this Deed of Trust, or at such substitute address Grantor may direct in writing to Beneficiary and such notice shall be binding upon the Grantor and all assignees or grantees of the Grantor.

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

18. If any provision hereof should be held unenforceable or void, then such provision shall be deemed separate from the remaining provisions and shall in no way affect the validity of this Deed of Trust.

19. Grantor shall not sell, transfer, convey or alienate the Property, or any portion thereof or any interest therein, unless:

Full payment is made of the Promissory Notes and all payments secured hereby; or,

The Beneficiary herein gives prior written consent.

If the Grantor shall, in violation of this provision, sell, transfer, convey or alienate the subject Property or any part thereof, or any interest therein, or shall be divested of title in any manner or way, whether voluntarily or involuntarily, any indebtedness or obligation secured hereby, irrespective of the maturity dates expressed in any note, document or instrument evidencing the same, at the option of the Beneficiary and without demand or



notice, shall immediately, at the earliest time allowed by applicable law, become due and payable in full.

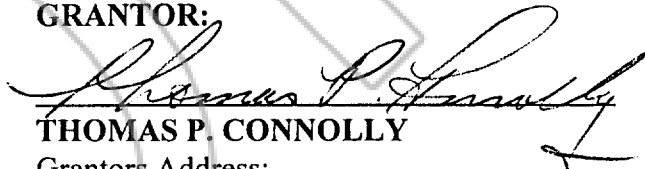
20. In addition to the fixtures described or referred to in the description of property in this Deed of Trust, the following are included in the Property subject to this Deed of Trust which shall, for all purposes, be deemed to be fixtures: (a) all buildings, structures and improvements now on hereafter built, placed, constructed or installed on any portion of the premises; (b) all building fixtures, appliances and equipment that now or hereafter are attached to or installed in, or placed in or upon any building or improvement or any portion of the described real property including but not limited to all furnaces, boilers, hot water heaters, heating and cooling and air conditioning installations with equipment, appliances and compressors; all wiring panels, lighting fixtures, other electrical or electronic equipment and installations; all plumbing, plumbing fixtures and equipment; (c) all fences, cattle guards, and gates; and (d) all pipes, pivots, wheel lines, well casings, well pumps and pumping equipment, troughs, tanks and stockwater and domestic water systems; all storage tanks and all corrals. All of such fixtures, furnishings, equipment and improvements are, and shall become a permanent accession to the land contained in the Property and to such building or improvements, and a part of the real property conveyed under this Deed of Trust, whether or not the same may be subject to any Security Agreement.

21. To the extent this Deed of Trust contains fixtures and personal property, it is intended to be a fixture filing, financing statement and security agreement and to perfect a security interest in personal property and fixtures pursuant to the Nevada Uniform Commercial Code.

22. It is expressly agreed that the trusts created hereby are irrevocable by the Grantor.

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

**GRANTOR:**

  
**THOMAS P. CONNOLLY**

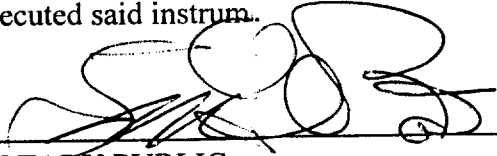
Grantors Address:  
73 Highway 95A East  
Yerington, Nevada 89447

  
**VOLINA L. CONNOLLY**

Grantors Address:  
73 Highway 95A East  
Yerington, Nevada 89447

STATE OF NEVADA )  
COUNTY OF Lyon )SS.

On JAN 11, 2001, 2001, personally appeared before me, a Notary Public, **THOMAS P. CONNOLLY** and **VOLINA L. CONNOLLY**, personally known to me to be the persons whose names are subscribed to the above instrument who acknowledged that they executed said instrument.

  
\_\_\_\_\_  
NOTARY PUBLIC

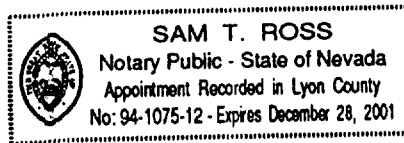


EXHIBIT "A"  
DESCRIPTION

All that certain lot, piece or part of land situate in the County of Eureka, State of Nevada, described as follows:

**PARCEL 1**

**TOWNSHIP 26 NORTH, RANGE 48 EAST, MDB&M**

Section 13: Lot 4; SW  $\frac{1}{4}$  S $\frac{1}{4}$ ; SW  $\frac{1}{4}$  NW  $\frac{1}{4}$ ; n  $\frac{1}{2}$  SW  $\frac{1}{4}$ ; SE  $\frac{1}{4}$  SW  $\frac{1}{4}$ ;

EXCEPTING THEREFROM oil and gas in and under said land as reserved by the United States of America in Patent recorded Nch 7, 1967, in Book 18, Page 245, Official Records, Eureka County, Nevada.

**PARCEL 2**

**TOWNSHIP 24 NORTH, RANGE 48 EAST, MDB&M.**

Section 13: W  $\frac{1}{2}$  SW  $\frac{1}{4}$ ;  $\frac{1}{4}$  SW  $\frac{1}{4}$ ;

Section 14: NE  $\frac{1}{4}$  SE  $\frac{1}{4}$ ;

Section 15: N  $\frac{1}{2}$  NW  $\frac{1}{4}$ ; S $\frac{1}{4}$  NW  $\frac{1}{4}$ ; SW  $\frac{1}{4}$  NE  $\frac{1}{4}$ ;

**TOWNSHIP 25 NORTH, RANGE 48 EAST MDB&M.**

Section 24: SE  $\frac{1}{4}$ ; E  $\frac{1}{2}$  S $\frac{1}{4}$ ;

**TOWNSHIP 24 NORTH, RANGE 48  $\frac{1}{2}$  EAST, MDB&M.**

Section 13: SE  $\frac{1}{4}$  NW  $\frac{1}{4}$   $\frac{1}{2}$  NE  $\frac{1}{4}$ ; SE  $\frac{1}{4}$ ;

Section 24: N  $\frac{1}{2}$  NE  $\frac{1}{4}$ ;

**TOWNSHIP 25 NORTH, RANGE 48  $\frac{1}{2}$  EAST, MDB&M.**

Section 25: E  $\frac{1}{2}$  SW  $\frac{1}{4}$ ;  $\frac{1}{4}$ ; Lots 3 and 4;

Section 36: N  $\frac{1}{2}$  NE  $\frac{1}{4}$ ;

**TOWNSHIP 24 NORTH, RANGE 49 EAST, MDB&M.**

Section 18: Lots 2, 3, 4;  $\frac{1}{2}$  SW  $\frac{1}{4}$ ;

Section 19: NE  $\frac{1}{4}$  NW  $\frac{1}{4}$  Lot 1;

TOWNSHIP 26 NORTH, RANGE 49 EAST, MDB&M.

Section 6: Lots 6, 7, and 8  
 Section 7: Lots 1, 2, 3 and  
 Section 18: Lots 1, 2, 3, and  
 Section 19: Lots 1, 2, 3 and

EXCEPTING THEREFROM: SE  $\frac{1}{4}$  NW  $\frac{1}{4}$ ; S  $\frac{1}{2}$  NE  $\frac{1}{4}$ ; SE  $\frac{1}{4}$ ; Section 13; N q/w NE  $\frac{1}{4}$ ; Section 24, Township 24 North Range  $\frac{1}{2}$  East, and Lots 2, 3 and 4; E  $\frac{1}{2}$  SW  $\frac{1}{4}$ , Section 18; NE  $\frac{1}{4}$  NW  $\frac{1}{4}$ ; Lot 1, Section 19, Township 24 North, Range 49 East; SE  $\frac{1}{4}$ ; E  $\frac{1}{2}$  SW  $\frac{1}{4}$  Section 24, Township 25 North, Range 48 East; and the  $\frac{1}{2}$  SW  $\frac{1}{4}$ ; SE  $\frac{1}{4}$ ; Lots 3 and 4, Section 25; N  $\frac{1}{2}$  NE  $\frac{1}{4}$ , Section 36, Township 25 North, Range 48 East, all coal and other minerals in and under said land, reserved by the United States of America, in Pnts recorded in Book 20, Page 400, and Book 21, Page 307, Deed Records, Eureka County, Neva.

**PARCEL 3**TOWNSHIP 24 NORTH, RANGE 48 EAST, MDB&M.

Section 10: W  $\frac{1}{2}$  NE  $\frac{1}{4}$ ;

**PARCEL 4**TOWNSHIP 24 NORTH, RANGE 48 EAST, MDB&M

Section 13: S  $\frac{1}{2}$  SW  $\frac{1}{4}$  SE;  
 Section 24: N  $\frac{1}{2}$  NW  $\frac{1}{4}$  NE;

TOWNSHIP 26 NORTH, RANGE 48 EAST, MDB&M

Section 13: SW  $\frac{1}{4}$  NW  $\frac{1}{4}$  SE;

TOWNSHIP 26 NORTH, RANGE 49 EAST, MDB&M

Section 30: Lot 1; N  $\frac{1}{2}$  of Lot 6;

EXCEPTING FROM SW  $\frac{1}{4}$  NW  $\frac{1}{4}$  SE  $\frac{1}{4}$ , Section 13, Township 26 North, Range 48 East; and Lot 1; N  $\frac{1}{2}$  of Lot 6, Section 30, Township 26 North, Range 49 East, all oil and gas in and under said land as reserved by the United States of America in Patent recorded November 7, 1974, in Book 50, Page 246, Official Records, Eureka County, Nevada.

EXCEPTING FROM S  $\frac{1}{2}$  S  $\frac{1}{4}$  SE  $\frac{1}{4}$  Section 13; N  $\frac{1}{2}$  NW  $\frac{1}{4}$  NE  $\frac{1}{4}$ , Section 24, Township 24 North, Range 48 East, all the geothermal steam and associated resources in and under said land as reserved by the United States of America Patent recorded November 7, 1974, in Book 50, Page 246, Official Records, Eureka County, Nevada.

FURTHER EXCEPTING FROM Parcels 1, 2 and 3, and undivided 50% interest into any and all mineral rights, oil or gas owned by the seller in and under the land as reserved by Walter E. Baumann and Jeanette Baumann in deed recorded May 5, 1977, in Book 59, Page 60, Official Records, Eureka County, Nevada.

FURTHER EXCEPTING FROM Parcels 1, 2, 3 and 4 and undivided ½ interest in and to all of Walter E. Baumann's right title and interest in and to all coal, oil, gas, and minerals of every kind and nature whatsoever and geothermal rights lying in and under said land as reserved in deed recorded August 9, 1988, in Book 182, Page 150 Official Records, Eureka County, Nevada.

COPY

BOOK 339 PAGE 326



EXHIBIT "B"  
DEED OF TRUST  
PENOLA - CONNOLLY

All of the follow: enumerated Proofs of Appropriation of Water for Irrigation Purposes on file with the State Eneer as evidenced by:

<u>Proof No.</u>	<u>Cificate No.</u>	<u>Source</u>	<u>Use</u>
01197	189	Pat Canyon Spring	Stockwater
01198	190	Pat Canyon Creek	Irrigation & Stockwater
01230	191	Antelope Creek	Irrigation & Stockwater
01230	192	Antelope Creek	Irrigation & Stockwater

ALSO TOGETH. WITH all of the Grantor's right to the following enumerated Proofs of Appropriation of Water Stock Watering Purposes on file with the State Engineer as evidenced by:

<u>Proof No.</u>	<u>Source</u>	<u>Use</u>
09026	Willow Spring	Stockwater
01940	Rossi Spring	Stockwater
01942	Dogout Spring	Stockwater
01945	Unnamed Spring (In Big Field)	Stockwater
01946	Side Hill Spring (Above Horse Ranch)	Stockwater

ALSO TOGETH WITH the Grantor's right to use both surface and underground water for irrigation, domestic a stockwater use of said land, as evidenced by the following enumerated Applications to Appropete Water, and Certificates of Appropriation of Water on file with, and issued by the State Enginr:

<u>Application No.</u>	<u>Cificate No.</u>	<u>Source</u>	<u>Use</u>
4794	781	Antelope or McCloskey Creek	Irrigation
4795	570	Pat Canyon	Irrigation
7209	1938	Black Springs	Stockwater
7210	1460	Pat Canyon Spring #1	Stockwater
7211	1337	Pat Canyon Spring #2	Stockwater
7212	1338	Mud Spring	Stockwater
7213	1339	Grouse Spring	Stockwater
7214	1340	Sage Hen Spring	Stockwater
7215	1341	Granite Spring	Stockwater
8361	1764	Rye Patch Spring	Stockwater
9207	1879	Cottonwood Spring	Stockwater
9208	1880	Issacs or Willow Spring	Stockwater
12543	3731	Well #1	Stockwater
12544	3732	Well #2	Stockwater

19320	7691	Underground	Irrigation
21178	7397	Horse Canyon	Irrigation
7425	1723	Rim Rock Spring	Stockwater
7434	1724	Rim Rock Spring	Stockwater
7436	1725	Unnamed Spring	Stockwater
7503	1730	Big Field Spring No. 1	Stockwater
7504	1731	Rig Field Spring No. 2	Stockwater
7505	1732	Buck Horn Spring	Stockwater
7506	1733	Buckhorn Spring No.1	Stockwater

ALSO TOGETHER WITH all existing and future water rights, dams, ditches, canals, pipelines, headgates, divisions, reservoirs, springs, wells, pumps, pumping stations, rights of way, easements and all other rights for the diversion or use of water appurtenant to the said property or any part thereof, or now hereafter used or enjoyed in connection therewith, for irrigation, stock watering, domestic or another use, or drainage of all or any part of said lands, including vested water rights, permitted water rights, decreed water rights and certificated water rights arising under the laws of the State of Nevada, together with all certificates of appropriation, applications, proofs, permits and maps relating to such water and water rights which are appurtenant to the above-described real property, any part thereof, or used or enjoyed in connection therewith or with federal domain grazing lands appurtenant or attached thereto.

When Recorded Mail :  
 Title Service and Grow Co.  
 P.O. Box 833  
 Yerington, NV 894

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 OFFICIAL RECORDS  
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*Great American Title Company*  
 01 JAN 12 PM 4:29

BUREAU COUNTY NEVADA  
 M.N. REBALEATI, RECORDER  
 FILE NO. FEES \$21.00

**175734**

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