419901.SG

DEED OF TRUST
AND
FIXTURE FILING

THIS DEED OF TRUST, made this 12 day of October, 1994, by and between ALBERT E. HORRIGAN, JR., an unmarried man, dealing with his sole and separate property, as Grantor; and FIRST AMERICAN TITLE COMPANY OF NEVADA, as Trustee; and ALFRED J. SALICCHI, an unmarried man, an undivided 42.138% as his sole and separate property; CEASAR E. SALICCHI, a married man dealing with his sole and separate property, an undivided 40.018% as his sole and separate property; and GIULIANA MURPHY, an unmarried woman, an undivided 17.844% as her sole and separate property; as Beneficiary.

W_I_T_N_E_S_S_E_T_H :

That Grantor hereby grants, transfers and assigns to the Trustee in trust, with power of sale, all of the real property situate in the County of Elko, State of Nevada, described in Exhibit "A" attached hereto as part hereof.

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

ONE: Payment of an indebtedness evidenced by a certain Promissory Note dated October 12, 1994, executed and delivered by the Grantor payable to the Beneficiary or order, a copy of which is attached hereto as Exhibit "B", and any and all extensions, revisions and renewals thereof and advances thereon.

TWO: Payment of all other sums with interest thereon becoming due or payable under the provisions hereof to either Trustee or Beneficiary.

THREE: Payment, performance and discharge by Grantor of this Security Document, and said Note and of all advances on and renewals, extensions, revisions and amendments of this Security Document and the above described Note and any other indebtedness or obligation secured hereby.

FOUR: Timely performance by Grantor of the Second Amendment to Contract of Purchase and Sale signed February 17, 1994, signed by Grantor September 9, 1994 and by Beneficiaries September 16, 1994.

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 or obligations of the Grantor for which the Beneficiary may claim the Deed of Trust as security.

2. Subject to development activities of the Grantor and the obligations of the Beneficiary under the Grazing Lease granted to the Beneficiary by the Grantor of even date herewith (notwithstanding the following provisions, the Grantor shall have no obligation to maintain or repair any range improvements whatsoever related to the grazing of livestock caused by Beneficiary while leasing the security unless the Grantor shall damage the same), the Grantor shall:

A. Maintain, repair, care for and keep the property herein described and all structures, improvements and fixtures now thereon or hereafter placed thereon in at least the condition, order and repair existing on the date of this Deed of Trust, or when installed, subject to reasonable normal wear and depreciation, and replacement, substitution or improvement as provided in B below;

B. Not remove, demolish, neglect or damage all or any portion of any improvements on the real property described in this Deed of Trust and other fixtures and improvements now situate thereon or hereafter placed thereon unless: (1) the same is replaced, improved, or substituted therefor by a like item of at least equal value, quality and use; or (2) the Beneficiary gives written consent in advance;

C. Not mine or commit or permit any waste of the land, buildings, improvements and fixtures, on said premises;

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

3. The following covenants, Nos. 1; 2 (at least the unpaid balance of the Note secured hereby); 3; 4 (8%); 5; 6 (which covenant is 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 deficiency in performance of this Deed of Trust); 7 (reasonable); 8 and 9 of N.R.S. 107.030 are hereby adopted and made a part of this Deed of Trust.

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

5. The Beneficiary and any persons authorized by the Beneficiary shall have the right to enter upon the premises at all reasonable times for the purposes of: inspecting them, determining

Grantor's performance hereof, and taking all reasonable actions they are authorized to perform under the terms of this Deed of Trust.

6. In 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, who is hereby authorized to receive and receipt for the same and apply such proceeds as received toward the payment of the indebtedness hereby secured, whether due or not.

7. That Grantor hereby gives to and assigns to Beneficiary, all 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 the performance of any agreement herein, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary has the legal right to request a court of competent jurisdiction to appoint a receiver to enter upon and take possession of said property or any part thereof, and in Beneficiary's own name sue for or otherwise seek to collect such rents, issues and profits (including those past due and unpaid), and apply the same, less costs and expenses of operations and collection (including reasonable attorney fees) upon any indebtedness secured hereby, and in such order as may be lawful. 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. The rents assigned are any and all of the following: rents, subrents, earnings, income, receipts, revenues, royalties, issues and profits, including without limitation by enumeration, those on account of oil and gas, and installments under any agreement of sale that becomes due, or that accrue while any portion of the indebtedness secured by this Deed of Trust remains unpaid, and any and all proceeds and accruals whatsoever that arise out of the hiring, subhiring, letting, subletting or otherwise (collectively hereinafter referred to as "leasing") of or from the whole or any part of the property. This assignment of rents is absolute and effective on and after the day of making of this Deed of Trust and is not given as mere additional security for the indebtedness secured by this Deed of Trust but is necessary and an integral part of the consideration given by Grantor to Beneficiary in the transaction that gives rise to this Deed of Trust. The creation, existence or exercise of Grantor's privilege and license to collect rents or Beneficiary's acceptance or exercise of the right to collect rents shall not subordinate this Deed of Trust to any leasing or be Beneficiary's affirmation of any leasing or assumption of any liability under any leasing.

8. If default be made in the payment of the obligations, note or debt secured hereby or in the performance of any of the terms, conditions or covenants of this Security Document, or the payment of any sum payable 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 notes, debts and sums secured hereby or payable hereunder immediately due and payable although the date of maturity has not arrived.

9. The Promissory Note secured by this Deed of Trust is made a part hereof as if fully herein set out.

10. Default under any other Deed of Trust, mortgage, contract, or other instrument, which is, or 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 of 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, and to the extent Beneficiary elects to advance sums to correct a default, the same shall be secured hereby and be immediately due hereunder, together with interest at the Note rate.

11. Any notices to be given Grantor shall be given by registered or certified mail to Grantor at the address set forth near the signatures on this Deed of Trust or at such substitute address as Grantor may designate in writing duly delivered to Beneficiary and to the Trustee, and such address set forth in this Deed of Trust, or such substitute address as is designated in

writing duly served as aforesaid shall be deemed conclusively to be the correct address of Grantor for all purposes in connection with said Deed of Trust, including, but not limited to, giving of notices permitted or required by statute to be mailed to Grantor.

12. 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.

13. All the provisions of this instrument shall inure to the benefit of 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. The word "Grantor" and any reference thereto shall include the masculine, feminine and neuter genders and the singular and plural, as indicated by the context and number of parties hereto.

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

15. The Grantor hereby covenants and agrees that neither the acceptance nor 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.

16. At any time or from time to time, without liability therefor and without notice, on written request of Beneficiary and

presentation of this Trust Deed and the Note secured thereby for endorsement and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may: reconvey all or any part of such property; consent to the making of any map or plat thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating such Trust Deed to subsequent liens, encumbrances or charges therein.

17. 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.

18. The property subject to this Deed of Trust shall include that herein described, and in addition, all fixtures and permanent improvements now or hereafter are attached to or installed in, or placed in or upon any portion of the described real property. All of such fixtures and permanent improvements shall become a permanent accession to the land contained in the described real property and a part of the real property conveyed under this Deed of Trust.

19. 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 the personal property and fixtures pursuant to the Nevada Uniform Commercial Code.

20. Grantor agrees to and shall indemnify and hold Trustee and Beneficiary harmless from all liability, costs, fees,

expenses, penalties, damages, fines and other payments beneficiary may have to make or incur in connection with:

a) conducting or requiring environmental inspections, audits, assessments and other investigations;

b) cleanup;

c) remediation;

d) assurances of compliance with environmental laws, rules and regulations;

e) "loan workout" activities;

f) foreclosure;

g) reporting, handling, storage, transportation, treatment and disposal of contaminants, hazardous waste, storage tanks, hazardous substances, spills, chemicals, toxic substances, contamination, hazardous material storage;

h) environmental consultants; and

i) all other liabilities, work, services, contracts and payments arising out of the environmental condition of the property in any way arising from or related to the use, acts or caused by, through or under the Grantors.

21. Beneficiary shall cause the release and reconveyance of portions of the encumbered land described in Exhibit "A" hereto from the purchase money Note and Deed of Trust upon the following terms and conditions:

A. No release or reconveyance of property shall be made by Beneficiary while there is any default in any of the terms, covenants and conditions of the Promissory Note and/or this Deed of Trust securing the purchase price balance.

B. Reconveyance of parcels shall be requested by Beneficiary upon reduction of the unpaid principal balance of the Note secured hereby either by annual installments or by additional prepayment based upon principal reductions equal to $750.00 per acre or part of an acre. In addition to such principal payment, accrued interest on the principal balance of the Note from Grantor to Beneficiary must be kept current to date of payment of the release amount, which will be credited against the interest portion of the annual installment payment when paid.

C. There shall be no prescribed order for reconveyance except that each parcel to be released shall be contiguous to property previously released, and legal access through the parcel being released to all other parcels described in Exhibit "A" and not previously released shall be provided by way of easement and roadway of sufficient width and design to meet requirements of the County of Elko for such roads or streets and is documented of public record in the office of the Elko County Recorder, Elko, Nevada, but need not be constructed as a condition of reconveyance.

D. Each reconveyance shall contain the provision that Beneficiary retains a right-of-way and easement for maintenance and operation of any ditches in place at the date of reconveyance which serve to provide irrigation and stockwater to the parcels remaining as security for the Note.

E. The legal description and acreage of each parcel to be reconveyed shall be by aliquot parts of the General Land

Office surveys of record or by surveyed and approved parcel maps if requested by Grantor. If actual survey and field measurements are necessary to provide a legal and insurable description or mapping, the cost will be paid by Grantor. If any parcel or other maps are necessary, Grantor shall provide them at Grantor's expense.

F. Subject to the application of the down payment (including the earnest money payment), thereafter the annual payments of principal paid on the deferred balance and any prepayment of principal (except those specifically paid for releases) shall be applied to further releases of land as requested by Grantor.

G. Any principal sum paid for a partial reconveyance shall be considered a prepayment and applied to principal as of the date of payment.

H. The costs of each partial reconveyance shall be paid by Grantor, including but not limited to survey, description preparations, acreage determinations, preparation and recording of requests and reconveyances, and trustee fees, parcel and other mapping.

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

GRANTOR:

ALBERT E. HORRIGAN, JR.

GRANTOR'S ADDRESS:

P.O. Box 829
19450 Berry Street
Pine Grove, CA 95665

BENEFICIARY'S ADDRESS:

902 Court Street
Elko, NV 89801

STATE OF Nevada)
COUNTY OF Elko) SS.

This instrument was acknowledged before me on October 12, 1994 by ALBERT E. HORRIGAN, JR.

SHIRLEY EVANS
NOTARY PUBLIC
State of Nevada
Elko County, Nevada
My appointment expires Nov. 12, 1994.

Shirley Evans
NOTARY PUBLIC

EXHIBIT "A"

DEED OF TRUST

TOWNSHIP 33 NORTH, RANGE 57 EAST, MDB&M

Section 11: All - Reconveyed

Section 13: W½

Section 14: All, excepting from Section 14 that parcel shown as Parcel I on Parcel Map for ALFRED J. and CEASAR SALICCHI and GIULIANA MURPHY, filed in the office of the County Recorder of Elko County, Nevada on September 19, 1988 as File No. 261869.

Section 23: A parcel of land situate in the SE¼SE¼ commencing at the corner common to Sections 23, 24, 25 and 26 of Township 33 North, Range 57 East, herein called Corner No. 1;

Thence West along the section line common to Sections 23 and 26, 720 feet to Corner No. 2;

Thence due North 120 feet to Corner No. 3;

Thence Northeasterly to a point on the section line common to Sections 23 and 24, 350 feet North of Corner No. 1, being Corner No. 4;

Thence South 350 feet to Corner No. 1, the Point of Beginning.

Section 24: W½

EXCEPTING THEREFROM Parcel No. 1 as shown on Parcel Map for ALFRED J. SALICCHI, CEASAR E. SALICCHI, AND GIULIANA MURPHY, filed in the office of the County Recorder of Elko County, Nevada on October 10, 1994 as File No. 358998, and any water rights appurtenant thereto.

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

TOGETHER WITH all and singular the tenements, hereditaments, easements, and appurtenances thereunto belonging or in anywise appertaining, and the reversions, remainders, rents, issues and profits thereof.

TOGETHER WITH all springs, wells, water, water rights and stockwater rights applied for, appropriated for, appurtenant to or decreed to said lands, or any portion thereof; all applications, proofs, permits, maps and certificates relating

to such water and water rights; all dams, ditches, diversions, licenses, easements, pipelines, structures, measuring devices, headgates, culverts, ponds, and reservoirs; all easements, devices and controls used to apply such water and water rights to beneficial use and for the repair, cleaning, replacement and maintenance of any or all of such facilities and methods and for access thereto; and all stockwater equipment, facilities, troughs, tanks, pumps, reservoirs, ponds and other stockwater improvements on said lands, including but not limited to those water rights decreed to said lands or any portion thereof pursuant to the Decree entered in Civil Action Number 2804 in the Sixth Judicial District Court of the State of Nevada, in and for the County of Humboldt, entitled, "In the Matter of the Determination of the Relative Rights of Claimants and Appropriators of the Waters of the Humboldt River Stream System and Tributaries," set out in the Blue Book edition of "The Humboldt River Adjudication - 1923-1938" and those permits described as follows:

Proof 00418, Page 56 of the Edwards Decree;
Proof 00411, Page 54 of the Edwards Decree;
Proof 00438, Page 182 of the Bartlett Decree;
Proof 00439, Page 182 of the Bartlett Decree;
Proof 00462, Page 63 of the Edwards Decree;
Permit 2392;
Permit 2393;
Permit 2412, Certificate 233;
Permit 3530, Certificate 656;
Application 19233; Certificate 7233.

TOGETHER WITH all range improvements and stockwater rights on public lands and all permits and cooperative agreements therefor, subject to Buyer's assumption of such permits and cooperative agreements.

TOGETHER WITH all right, title, interest and estate Grantor has in and to all coal, oil, oil shales, gas, minerals and geothermal resources of every kind, nature and description, and their by-products, existing upon, beneath or within the above-described lands or any portion thereof, with all royalties, rents and other consideration for such right, title, interest and estate reserved and all leases and other disposal thereof, including the right to use so much of the surface thereof and the subsurface thereof as may be reasonably required to prospect for, locate, develop, mine, drill, extract, produce, process, utilize, unitize, sell, market, remove and transport the same.

TOGETHER WITH all rights, privileges, preferences, permits, licenses and leases to graze livestock upon the public lands administered by the Bureau of Land Management which are used with, attached to, or based on the above-described property.

EXHIBIT "B"

PROMISSORY NOTE

_____, 1994

$920,000.00 Elko, Nevada

FOR VALUE RECEIVED, the undersigned ALBERT E. HORRIGAN, JR., an unmarried man, promises to pay to the order of ALFRED J. SALICCHI, an unmarried man, an undivided 42.138% as his sole and separate property; and CEASAR E. SALICCHI, a married man dealing with his sole and separate property, an undivided 40.018% as his sole and separate property; and GIULIANA MURPHY, an unmarried woman, an undivided 17.844% as her sole and separate property, at Elko, Nevada, or wherever payment may be demanded by the holders of this Note, the principal sum of NINE HUNDRED TWENTY THOUSAND DOLLARS ($920,000.00) with interest thereon at the rate of eight percent (8%) per annum from the _____ day of _____, 1994 until paid, both principal and interest payable in the following manner:

> ONE HUNDRED THIRTY-SEVEN THOUSAND ONE HUNDRED SEVEN AND 13/100THS DOLLARS ($137,107.13), including interest, on or before the _____ day of _____, 1995, and a like payment of $137,107.13, including interest, on or before the _____ day of _____ of each year thereafter until the _____ day of _____, 1999 on which date the entire unpaid balance plus accrued interest shall become due and payable.

Each payment shall be applied first to accrued interest and the balance to principal as of the date of payment. Interest shall accrue only upon the unpaid principal balance of this Note remaining from time to time. All payments shall be in lawful money of the United States of America.

The maker shall have the right to pay all or any portion of this Note at any time, provided, however, any additional payments shall not be cumulative payments, but the maker shall, in all events, pay each monthly installment as it comes due until the Note is paid in full.

The makers, comakers, endorsers, guarantors and sureties, jointly and severally, waive presentment, protest and notice of dishonor, and waive diligence in collecting, and agree that this Note may be renewed or extended from time to time, and that any security herefor may be released or discharged partially or in full and that additional comakers, guarantors, and sureties may become parties hereto, without notice to or the consent of any of them, and without affecting their liability hereon.

If any default or deficiency be made in: (1) the payment of this Note, or any portion of installment hereof; or (2) in the performance of the Deed of Trust, Security Agreement or other agreements, documents or instruments, or other lien or encumbrance which secures the payment of this Note; or (3) in the payment and performance of any other deed of trust, mortgage, security agreement or other lien or encumbrance of the note or debt secured thereby, which security affects all or any portion of the property which secures the payment of this Note; then, at the option of the holder of this Note, the entire unpaid principal balance hereof, together with all accrued interest and other sums payable hereunder and under the items of the security herefor shall become immediately due and payable in full, without notice or demand, although the time of maturity expressed in this Note shall not have arrived.

It is agreed that at the election of the holder of this Note the same shall mature and become immediately payable in full, together with all sums payable hereunder and under the security herefor, although the time of maturity of this Note has not arrived, without notice, upon the happening of any one or more of the following events:

1. The commencement of any proceeding under the bankruptcy or insolvency laws by or against the maker of this Note.

2. The appointment of a receiver or conservator for any of the assets of property or the maker hereof.

3. Any assignment for the benefit of creditors made by the maker hereof.

The maker further agrees to pay all costs, charges and expenses, including reasonable attorney fees, incurred by the holder of this Note, incident to the collection hereof, or any portion, in the event of default or deficiency in the payment of this Note, or any portion hereof, or in the performance of the Deed of Trust or other security which secures it.

A Deed of Trust and Fixture Filing secures the payment of this Note.

s/s Albert E. Horrigan, Jr.
ALBERT E. HORRIGAN, JR

INDEXED

359283

FEE 25.00 FILE # ____
FILED FOR RECORD
AT REQUEST OF
Linda Latour
'94 OCT 13 P3:38

RECORDED BK 871 PG 161
JERRY D. REYNOLDS
ELKO CO. RECORDER

359283

VAUGHAN & HULL, LTD.
ATTORNEYS AND COUNSELORS
LAW OFFICE CENTER
530 IDAHO STREET
P. O. BOX 1430
ELKO, NEVADA 89803

CERTIFICATION OF COPY
STATE OF NEVADA)
COUNTY OF ELKO) SS.
I, JERRY D. REYNOLDS, the duly elected and qualified Recorder of Elko County, in the State of Nevada, do hereby certify that this is a true, full and correct copy of the instrument now on record in this office. IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of my office, in Elko, Nevada this 2nd day of March A.D. 1995
JERRY D. REYNOLDS, COUNTY RECORDER