

Lincoln County

DEED OF TRUST

This deed of trust, made on March 10, 1980, by and between Silverhorn Joint Venture, a Texas general partnership, of 3400 Republic National Bank Building, Dallas, Texas 75204, as trustor, and William Vogel, Esq., 800 Continental Bank Building Salt Lake City, Utah 84101, as trustee, and Frejonley Mining, Inc. of 1709 North 580 East, Provo, Utah 84601, as beneficiary, witnesseth: that trustor hereby grants, conveys, and confirms unto trustee, in trust with power of sale, the real property situate in Lincoln County, Nevada, described as follows:

U.S. Mineral Survey 3727

Horn Silver No. 1

Horn Silver No. 2

Horn Silver No. 3

Horn Silver No. 4

Horn Silver No. 5

Ruby Lodes

Together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues, and profits thereof, also all water and water rights, ditch and ditch rights used in connection therewith, all shares of stock evidencing the same, pumping stations, engines, machinery, pipes, ditches, and also all the estate, right, title, and interest, homestead or other claim or demand, as well in law as in equity, which trustor now has or may hereafter acquire of, in, and to the premises or any part thereof, with appurtenances.

To have and to hold the same unto trustee and its successors, on the trusts hereinafter expressed, namely, a security for the payment of that certain promissory note of even date herewith in the sum of Two Hundred Seventeen Thousand Five Hundred Dollars (\$217,500).

This trust deed is intended to and does secure such additional amounts as may be hereafter loaned by beneficiary or its successors or assigns to trustor, and any present or future demands of any kind or nature which beneficiary or its successor may have against trustor, whether created directly or acquired by assignment; whether absolute or contingent, due or not, or otherwise secured or not; or whether existing at the time of the execution of this instrument or arising thereafter; also as security for the payment and performance of every obligation, covenant, promise, or agreement herein or in such promissory note contained.

The following covenants, numbers 1 and 3 through 9 of Nevada Revised Statutes 107:030, are hereby adopted and made a part of this deed of trust, except that the amounts agreed on by the parties to this instrument with respect to the covenants numbers 4 and 7, incorporated by reference, of such trusts and agreements are respectively as follows: 10% and 5%. Such provisions so incorporated shall have the same force and effect as though specifically set forth and incorporated verbatim in this deed of trust. In the event of conflict between the provisions on the face of this deed of trust and the covenants adopted by reference, the covenants on the face of this deed of trust shall control.

As additional security, trustor hereby gives to and confers on beneficiary after default, the right, power, and authority during the continuance of such default, to collect the rents, issues, and profits of the property, or of any personal property located thereon, with or without taking possession of the property affected thereby, reserving unto trustor the right prior to any default by trustor in payment of any indebtedness secured hereby, or in the performance of any agreement hereunder, to collect and retain such rents, issues, and profits as may accrue and become payable. If breach or default is made in the prompt payment, when due, or any sum secured hereby, or in the

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STATE OF NEVADA)
COUNTY OF Dallas) ss.

On this 17th day of March, 1980, personally appeared before me, a notary public, Lewis Chandler, a general partner in the partnership of Silverhorn Joint Venture, who acknowledged that he executed the above instrument in behalf of said partnership.

John Carter
Notary Public

My Commission Expires:
11-16-81

Residing in:
Dallas, Texas

No. 67926
FILED AND RECORDED AT REQUEST OF
WILLIAM VOGEL
MARCH 21, 1980
AT 1 MINUTES PAST 1 O'CLOCK
PM IN BOOK 36 OF OFFICIAL
RECORDS, PAGE 226, LINCOLN
COUNTY, NEVADA.
William Vogel
COUNTY CLERK