

DEED OF TRUST

THIS DEED OF TRUST made and entered into on this 30<sup>th</sup> day of July, 1980, by and between POCHE MINES CONSOLIDATED, INC. and ELY VALLEY MINES, INC., each together as Grantors, and NEBACO, a Nevada Corporation, as Trustee, and VICTOR COTTINO and AGNES COTTINO, husband and wife, as Beneficiaries.

WITNESSETH that the Grantors, for good and sufficient consideration, the receipt of which is hereby acknowledged, hereby convey and warrant unto the Trustee and to his successors in Trust for the purpose of securing performance of the covenants and agreements herein contained, that certain real property more particularly described as the property designated in Exhibit "A" attached hereto and incorporated herein as if it were set out in full.

TOGETHER with any and all buildings and improvements situate thereon. TO HAVE AND TO HOLD the same unto the Trustee as herein provided.

IN TRUST, nevertheless, for the purpose of securing performance of the contents and agreements herein contained.

WHEREAS, Grantors are justly indebted to the Beneficiaries upon that certain principal promissory note executed of even date herewith. Said Promissory Note is attached hereto and designated as Exhibit "C".

THE GRANTORS COVENANT AND AGREE AS FOLLOWS:

1. To pay said indebtedness and the interest thereon as herein and in said contract provided or according to any agreement extending time of payment, also any other indebtedness due from Grantors to Beneficiaries as hereinabove provided. Said Contract of Sale and Promissory Note is attached hereto and designated as Exhibit "E".

2. The following covenants: No's 1, 2, (insurable value) 3, 4, (10%) 5, 6, 7, (10%) 8 and 9, of NRS 107.030 are hereby adopted and made a part of this Deed of Trust.

IN WITNESS WHEREOF, we have her eunto set our hands the day and year first above written, same being the effective date of this instrument.

POCHE MINES CONSOLIDATED, INC.  
and ELY VALLEY MINES, INC.

BY:

Harry M. Roewenger  
HARRY M. ROEWENGER,  
Attorney in fact

STATE OF TEXAS  
COUNTY OF DALLAS

ON THIS the 21<sup>st</sup> day of August, 1980, personally appeared before me, Virginia M. Mitchell, a Notary Public in and for said County and State, HARRY M. ROVENGER, known to me to be the person whose name is subscribed to the within instrument as the attorney in fact of POCHE MINES CONSOLIDATED, INC. and ELY VALLEY MINES, INC., and acknowledged to me that he subscribed the name of the said POCHE MINES CONSOLIDATED, INC. and ELY VALLEY MINES, INC. as principals, and his own name as Attorney in fact, freely and voluntarily and for the uses and purposes therein mentioned.

MY COMMISSION EXPIRES:

Nov. 31 1980

Virginia M. Mitchell  
NOTARY PUBLIC IN AND FOR  
DALLAS COUNTY, TEXAS.



EXHIBIT "A"

1  
2 All of the Northwest quarter (NW $\frac{1}{4}$ ) of Section 14, T1N, R67E, MDB  
3 &M, excepting therefrom that parcel of land in the W $\frac{1}{2}$ NW $\frac{1}{4}$  granted  
4 to JOHN JANNEY on February 14, 1979 and recorded in Book "C-1" of  
5 Real Estate Deeds at page 528, and further accepting the right-  
6 of-way of the Union Pacific Railroad, which acquired the right-  
7 of-way of the Pioche-Caliente Railroad and The Prince  
8 Consolidated Mining and Smelting Company, being 109.6 acres of  
9 land, it being Grantor's intention herein to bargain, sell,  
10 transfer and convey their entire ownership interest presently  
11 owned by them in the aforesaid Northwest quarter (NW $\frac{1}{4}$ ) of said  
12 Section 14, T1N, R67E, MDB&M.

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EXHIBIT "B"

CONTRACT OF SALE AND PROMISSORY NOTE

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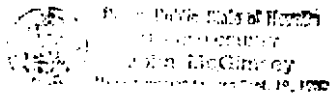
BE IT HEREBY ACKNOWLEDGED that in consideration of \$87,680 plus 10% interest on the unpaid balance, excluding a down payment of \$10,000, VICTOR COTTINO and AGNES COTTINO, hereinafter referred to as SELLERS, agree to sell to ELY VALLEY MINES, INC., and PIOCHE MINES CONSOLIDATED, INC., hereinafter referred to as BUYERS, all right, title and interest, now possessed by SELLERS in that property described in Exhibit "A" attached hereto, subject to the following terms and conditions:

1. BUYERS shall place in Escrow \$10,000 to be paid to SELLERS at close of Escrow.
2. BUYERS shall execute a Deed of Trust, naming SELLERS as Beneficiaries, place the Deed of Trust in Escrow which shall be recorded at the close of Escrow.
3. SELLERS shall execute a Grant, Bargain, Sale Deed to SELLERS, place the Deed in Escrow which shall be recorded at the close of Escrow.
4. BUYERS shall pay SELLERS \$13,000 plus 10% interest per annum on the unpaid balance within 120 days of the close of Escrow.
5. BUYERS shall pay SELLERS the balance of said obligation in 10 equal, semi-yearly installments plus 10% interest on the unpaid balance until said obligation is paid in full.
  - a. Semi-annual installments will be due and payable commencing 6 months after SELLERS receive \$13,000 specified in paragraph 4, herein and continuing in 6 month intervals until paid in full.
  - b. BUYERS may pre-pay this obligation at the expiration of 1 year from the close of Escrow, without penalty.
  - c. BUYERS must apply proceeds of Sale of any of the property herein to payment of this obligation within 30 days of receipt of funds.



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Before me this 30 day of July, 1980, appeared HARRY ROVENGER, known to me to be him who being first duly Sworn and Subscribed the above instrument.



*John McGimsey*  
NOTARY PUBLIC

Dated and done this 30 day of July, 1980.

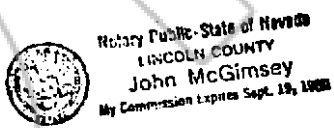
*Victor Cottino*  
VICTOR COTTINO

*Agnes Cottino*  
AGNES COTTINO

STATE OF NEVADA )  
                          ) ss.  
COUNTY OF LINCOLN )

Appeared before me this 30 day of July, 1980, VICTOR COTTINO and AGNES COTTINO, known to me to be them who being first duly Sworn Subscribed the above instrument.

*John McGimsey*  
NOTARY PUBLIC



PROMISSORY NOTE

1 For value received, we promise to pay to the order of AGNES  
 2 COTTINO and VICTOR COTTINO, of Pioche, Lincoln County, Nevada,  
 3 the sum of \$87,680, \$10,000 of which will be paid as the  
 4 down payment. The balance of \$77,680 shall be paid as follows:  
 5 \$13,000 shall be paid within 120 days of the close of Escrow plus  
 6 10% interest per annum on the unpaid balance. The balance of  
 7 \$64,680 shall be paid in 10 consecutive semi-annual payments, the  
 8 first of which, shall occur 6 months after the \$13,000, above  
 9 mentioned, is paid. Each additional payment shall be made in 6  
 10 month intervals until the balance is paid. Each payment shall be  
 11 in addition to 10% interest per annum on the unpaid balance.

12 Should any of the principal or interest not be paid when  
 13 due, or within 60 days thereafter, such default shall, at the  
 14 option of the legal holder hereof, cause all sums then remaining  
 15 unpaid to become due upon the expiration of the grace period and  
 16 payable, without further notice, the makers, indorsers and  
 17 guarantors of this note agree to pay a reasonable collection or  
 18 attorney's fee if suit is brought hereon, or said note is placed  
 19 in a collector's hands, when in default, and hereby waive present-  
 20 ment for payment notice of non-payment, protest and notice of  
 21 protest, and diligence in bringing suit against any part thereto  
 22 and consent that time of payment may be extended without notice.

23 Both makers of the note are equally obligated to the payment  
 24 of this note.

25  
 26 PIOCHE MINES CONSOLIDATED, INC.  
 and ELY VALLEY MINES, INC.

27  
 28 *Harry M. Rovenger*  
 29 HARRY M. ROVEMBER  
 Attorney in Fact

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 31  
 32 EXHIBIT "C"

No. 69639  
 FILED AND RECORDED AT REQUEST OF  
John McGimsey  
AUG. 27, 1980  
 AT 20 MINUTES PAST 10 O'CLOCK  
AM IN BOOK 39 OF OFFICIAL  
 RECORDS, PAGE 233 LINCOLN  
 COUNTY, NEVADA.

*Faren Henderson, Deputy*  
 COUNTY RECORDER