



0141243


When Recorded Return To:

ISLV Partners, LLC
500 South Front St., Ste. 1200
Columbus, OH 43215

**DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS,
SECURITY AGREEMENT, FINANCING STATEMENT
AND FIXTURE FILING**

I, the undersigned, hereby affirm that the attached document, including any exhibits, hereby submitted for recording does not contain the social security number of any person or persons. Per NRS 239.B.030.

Dated this 30th day of May, 2012.


Marian C. LaLonde



When Recorded Return To:

ISLV PARTNERS, LLC
500 SOUTH FRONT STREET, SUITE 1200
COLUMBUS, OHIO 43215

**DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS,
SECURITY AGREEMENT, FINANCING STATEMENT,
AND FIXTURE FILING**

THIS DEED OF TRUST CONSTITUTES A SECURITY AGREEMENT, AND IS FILED AS A FIXTURE FILING AND FINANCING STATEMENT AS TO AS-EXTRACTED COLLATERAL, WITH RESPECT TO ANY PORTION OF THE TRUST ESTATE IN WHICH A PERSONAL PROPERTY SECURITY INTEREST OR LIEN MAY BE GRANTED OR CREATED PURSUANT TO THE NEVADA UNIFORM COMMERCIAL CODE OR UNDER COMMON LAW, AND AS TO ALL REPLACEMENTS, SUBSTITUTIONS, AND ADDITIONS TO SUCH PROPERTY AND THE PROCEEDS THEREOF. FOR PURPOSES OF THE SECURITY INTEREST OR LIEN CREATED HEREBY, BENEFICIARY IS THE "SECURED PARTY" AND TRUSTOR IS THE "DEBTOR." TRUSTOR IS THE RECORD OWNER OF THE PROPERTY.

THIS DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT, FINANCING STATEMENT, AND FIXTURE FILING (the "Deed of Trust") is made as of May 25, 2012, by and among INTERNATIONAL SILVER NEVADA, INC., a Nevada corporation, whose mailing address is Diamond Block 200,44 W 6th Ave, PO Box 1185, Helena, MT 59624-1185 ("ISN") and INTERNATIONAL SILVER, INC., an Arizona corporation ("ISLV" and collectively with ISN, "Trustor"), COW COUNTY TITLE CO., a corporation licensed to do business and doing business as a title insurance company in the State of Nevada, whose mailing address is 761 S. Rain Dance Drive, Pahrump, NV 89048 ("Trustee"), and ISLV PARTNERS, LLC, a Delaware limited liability company, whose mailing address is 500 South Front St., Suite 1200, Columbus, Ohio 43215 and 100 N. Crescent Drive, Suite 300, Beverly Hills, CA 90210 ("Beneficiary").

FOR GOOD AND VALUABLE CONSIDERATION, including the indebtedness herein recited and the trust herein created, the receipt of which is hereby acknowledged, Trustor hereby irrevocably grants, transfers, conveys and assigns to Trustee, IN TRUST, WITH POWER OF SALE, for the benefit and security of Beneficiary, under and subject to the terms and conditions hereinafter set forth, all of Trustor's right, title and interest in and to those certain patented and unpatented mining claims, mineral leases and other real property located in the County of Lincoln, State of Nevada, more particularly described in Exhibit A to this Deed of Trust (the "Property");

TOGETHER WITH all right, title and interest of Trustor in and to any and all easement agreements, covenants or restrictive agreements and all air rights, ores, minerals, mineral resources, mineral rights, water rights, and development rights, if any relating to the Property, and also together with all of the other easements, rights, privileges, interests, hereditaments and appurtenances thereunto belonging or in any way relating or appertaining to the Property or any part thereof, or which hereafter shall belong, relate or be appurtenant to the Property;

TOGETHER WITH all right, title, or interest of Trustor in any and all leach pads, loading facilities, railroad tracks, buildings, foundations, structures, improvements, paving, parking areas, walkways and



landscaping now or hereafter erected or located on, in or under the Property, including, without limitation, fixtures, attachments, appliances, equipment, machinery, and other personal property attached to such buildings and other improvements, and replacements thereof now or hereafter erected or located on, in or under the Property and all materials now or hereafter intended for construction, reconstruction or repair thereof, in each case now or hereafter erected or located on, in or under the Property (collectively, the **"Improvements"**), all of which shall be deemed and construed to be a part of the real property;

TOGETHER WITH all rents, subrents, issues, profits, damages, royalties, income, proceeds from production of minerals, and other benefits now or hereafter derived from the Property and the Improvements (collectively, the **"Rents"**), subject to the terms and provisions of **Article 2** of this Deed of Trust with respect to all leases and subleases of the Property or Improvements now or hereafter existing or entered into, or portions thereof, granted by Trustor, and further subject to the right, power and authority hereinafter given to Trustor to collect and apply such Rents;

TOGETHER WITH all leasehold estate, right, title and interest created by Trustor, as lessor or sublessor, in, to and under all leases, assignments, licenses or similar leasing of Trustor's estate to third parties, covering the Property or the Improvements or any portion thereof now or hereafter existing or entered into, and all right, title and interest of Trustor thereunder, including, without limitation, all rights of Trustor to rentals, royalties or other payments thereunder, and all rights against guarantors thereof, all cash or security deposits, advance rentals, and deposits or payments of similar nature (collectively, the **"Leases"**);

TOGETHER WITH all interests, estates or other claims, both in law and in equity, which Trustor now has or may hereafter acquire in the Property or the Improvements;

TOGETHER WITH all easements, rights-of-way and other rights now used in connection with the Property or the Improvements, or as a means of access thereto (including, without limitation, all rights pursuant to any trackage agreement and all rights to the nonexclusive use of common drive entries, and all tenements, hereditaments and appurtenances thereof and thereto) and all water and water rights and shares of stock evidencing the same;

TOGETHER WITH all right, title and interest now owned or hereafter acquired by Trustor in and to any greater estate in the Property or the Improvements;

TOGETHER WITH all right, title, and interest now owned or hereafter acquired by Trustor in all licenses, permits, approvals, or other authorizations (federal, state, and local) used or useful in connection with or in any way relating to the Property or Improvements, including any building permits relating to the development of the Property and Improvements;

TOGETHER WITH all right, title, and interest of, but none of the obligations of, Trustor in (i) all apparatus, movable appliances, building materials, equipment, fittings, furnishings, furniture, pumps, tanks, goods, tools, elevators, machinery and other articles of tangible personal property of every kind and nature (including all of Trustor's books and records), and replacements thereof, now or at any time hereafter placed upon or used in any way in connection with the use, enjoyment, occupancy or operation of the Property (or any other lands any production from which, or profits or proceeds from such production, is attributed to any interest in the Property, or used or useful in connection with mining minerals of any nature or the maintenance or preservation thereof, including, without limitation, all trade fixtures, plants, storage tanks, product transportation equipment, lifts, fire sprinklers and alarm systems, fire prevention or control systems, cleaning rigs, air conditioning, heating, boilers, refrigerating, electronic monitoring, water, loading, unloading, lighting, power, sanitation, waste removal, entertainment, communications, computers, recreational, window or structural, maintenance, truck or car repair and all other equipment of every kind, computer systems, inventory control systems and all other apparatus, equipment, furniture, furnishings, and articles used in connection with the use or operation of the Property, it being understood that the enumeration of any specific articles of property shall in no way result in or be held to exclude any items of property not specifically mentioned, and



all other personal property now or hereafter owned or leased by Trustor that is now or hereafter erected or located on, in or under or used in connection with the Property or the Improvements, including the personal property described on **Exhibit B**, (ii) all other rights and interests of Trustor now or hereafter held in personal property that is now or hereafter located on or used in connection with the Property or the Improvements, including, without limiting the foregoing, all of Trustor's present and future "fixtures," "equipment," "accounts," "inventory", and "general intangibles" (which terms shall include, but not be limited to, as such terms are defined in the *Nevada Uniform Commercial Code*, or any successor statute), (iii) all personal property and rights and interests in personal property of similar type or kind hereafter acquired by Trustor, (iv) all of Trustor's right, title and interest in and to all deposit accounts maintained with Beneficiary or any affiliate of Beneficiary, (v) all "as-extracted collateral" under and as defined in the Nevada Uniform Commercial Code with respect to oil, gas or other minerals located on, in, or under, or taken from the Property, which definition of "as-extracted collateral" under the Nevada Uniform Commercial Code also includes all accounts arising out of the sale at the wellhead or minehead of such oil, gas or other minerals in which Trustor had an interest before extraction, and (vi) all appurtenances and additions thereto and substitutions or replacements thereof (such personal property, including all personal property listed in Exhibit B, together with proceeds (as hereinafter provided), are referred to herein collectively as the "**Personal Property**");

TOGETHER WITH all general intangibles owned by Trustor and relating to design, development, management and use of all or any portion of the Property, all certificates of occupancy, zoning variances, building use or other permits, approvals, licenses, consents and authorizations obtained from and all materials prepared for filing or filed with any governmental agency in connection with the development, use, operation or management of all or any portion of the Property, all construction, service, engineering, consulting, leasing, architectural and other similar contracts concerning the design, construction, management, operation, occupancy and/or use of the Property, all architectural drawings, plans, specifications, soil tests, feasibility studies, appraisals, environmental studies, engineering reports and similar materials relating to any portion of or all of the Property, and all payment and performance bonds or warranties or guarantees relating to the Property, all to the extent assignable (the "**Permits, Plans and Warranties**").

TOGETHER WITH all now or hereafter existing contracts for the sale of minerals extracted from the Property to which Trustor is a party, including, without limitation, all charges, fees, income, issues, profits, receipts, rents, revenues or royalties payable thereunder;

TOGETHER WITH all real estate tax refunds and all proceeds of any transfer, financing, refinancing or conversion, whether voluntary or involuntary, of any of the Property into cash or liquidated claims ("**Proceeds**"), including Proceeds of insurance maintained by the Trustor and condemnation awards, any awards that may become due by reason of the taking by eminent domain or any transfer in lieu thereof of the whole or any part of the Property or any rights appurtenant thereto, and any awards for change of grade of streets, together with any and all moneys now or hereafter on deposit for the payment of real estate taxes, assessments or common area charges levied against the Property, unearned premiums on policies of fire and other insurance maintained by the Trustor covering any interest in the Property;

TOGETHER WITH all right, title, and interest of Trustor, now owned or hereafter acquired, in and to any land lying within the right-of-way of any street, open or proposed, adjoining the Property, and any and all sidewalks, alleys, and strips and gores of land adjacent to or used in connection with the Property;

TOGETHER WITH all the estate, interest, right, title, other claim, or demand, both in law and in equity (including, without limitation, claims or demands with respect to the proceeds of insurance, indemnities, performance or redemption bonds, judgments, awards of damages, and settlements with respect thereto) that Trustor now has or may hereafter acquire in the Property, the Improvements, the Personal Property, or any other part of the Trust Estate (as defined below), and any and all awards made for the taking by eminent domain, or by any proceeding or purchase in lieu thereof, of the whole or any part of the Trust Estate (including, without limitation, any awards resulting from a change of grade of streets and awards for severance damages);



TOGETHER WITH all accessions to, substitutions for, and replacements, products, and proceeds of any of the foregoing, including, without limitation, the conversion, voluntary or involuntary, into cash or liquidated claims, of any of the foregoing.

The entire estate, property, right, title, and interest hereby conveyed to Trustee, including the Property, Improvements, Rents, Leases, Personal Property, Permits, Plans and Warranties, Proceeds and all other property described above or herein, may hereafter be collectively referred to as the "Trust Estate."

TO HAVE AND TO HOLD the Trust Estate unto the Trustee and Trustee's successors, substitutes and assigns, IN TRUST, however, upon the terms, provisions, and conditions herein set forth.

FOR THE PURPOSE OF SECURING the following (the "Obligations"):

- (a) Payment of the indebtedness of Trustor, evidenced by that certain Convertible Term Note ("Note") in the initial principal amount \$600,000 executed by Trustor that is payable to the order of Beneficiary, dated of even date herewith;
- (b) Payment or performance of any indebtedness or obligations under that certain Convertible Note Purchase Agreement ("Note Purchase Agreement") executed by and between Trustor and Beneficiary, pursuant to which Beneficiary may advance Trustor additional principal amounts of an additional \$4,000,000 in addition to the Note;
- (c) Performance of every obligation of Trustor arising under this Deed of Trust, Note or Note Purchase Agreement;
- (d) for the benefit of Beneficiary, compliance with and performance of each and every provision of any declaration of covenants, conditions and restrictions, any maintenance, easement and party wall agreement, or any other agreement, document, or instrument by which the Trust Estate is bound or may be affected; and
- (e) all modifications, extensions and renewals of any of the obligations secured hereby, however evidenced, including, without limitation: (i) modifications of the required principal payment dates deferring or accelerating payment dates wholly or partly; (ii) future advances and increases in the principal amounts owed pursuant to the Note or Note Purchase Agreement; and (iii) future advances or financings of Trustor of any kind.

TRUSTOR HEREBY COVENANTS AND AGREES AS FOLLOWS:

**ARTICLE 1
COVENANTS AND AGREEMENTS OF TRUSTOR**

1.1 Security for the Payment and Performance of Secured Obligations. This Deed of Trust secures the obligation of Trustor to pay when due and/or perform each of the Obligations.

1.2 Maintenance, Repair, Alterations. Trustor shall keep the Trust Estate in good condition and repair. Trustor shall not remove, demolish, or substantially alter any of the Improvements, except with the prior written consent of Beneficiary. Trustor shall complete promptly and in a good and workmanlike manner any Improvement that may be now or hereafter constructed on the Property and promptly restore in like manner any Improvements that may be damaged or destroyed from any cause whatsoever and pay when due all claims for labor performed and materials furnished therefor. Trustor shall comply with all Requirements (as defined below) and shall not suffer to occur or exist any violation of any Requirement. Trustor shall not commit or permit any waste or deterioration of the Trust Estate, and, to the extent allowed by law, shall keep and maintain abutting grounds, sidewalks, roads, parking and landscape areas in good and neat order and



repair. Trustor shall perform its obligations under each Lease. “**Requirement**” and “**Requirements**” mean, respectively, each and all obligations and requirements now or hereafter in effect by which Trustor or the Trust Estate are bound or which are otherwise applicable to the Trust Estate, construction of any Improvements on the Trust Estate, or operation, occupancy or use of the Trust Estate (including, without limitation (a) such obligations and requirements imposed by common law or any law, statute, ordinance, regulation, or rule (federal, state, or local), and (b) such obligations and requirements of, in, or in respect of (i) any consent, authorization, license, permit, or approval relating to the Trust Estate, (ii) any condition, covenant, restriction, easement, or right-of-way reservation applicable to the Trust Estate, (iii) any Lien or Encumbrance, (iv) any other agreement, document, or instrument to which Trustor is a party or by which Trustor or the Trust Estate is bound or affected, and (v) any order, writ, judgment, injunction, decree, determination, or award of any arbitrator, other private adjudicator, court, government, or governmental authority (federal, state, or local) to which Trustor is a party or by which Trustor or the Trust Estate is bound or affected).

1.3 Insurance. Trustor shall at all times provide, maintain and keep in force or cause to be provided, maintained and kept in force with respect to the Trust Estate, at no expense to Trustee or Beneficiary, policies of insurance in forms and amounts and issued by companies reasonably satisfactory to Beneficiary. All such policies of insurance required by the terms of this Deed of Trust shall contain an endorsement or agreement by the insurer that any loss shall be payable in accordance with the terms of such policy notwithstanding any act or negligence of Trustor or any party holding under Trustor that might otherwise result in forfeiture of said insurance and the further agreement of the insurer waiving all rights of setoff, counterclaim or deductions against Trustor. In the event of foreclosure of this Deed of Trust as a mortgage, a sale under the power of sale, or any other transfer of title or assignment of the Trust Estate in extinguishment, in whole or in part, of the Obligations, all right, title and interest of Trustor in and to all policies of insurance required by this **Section 1.3** shall inure to the benefit of and pass to the successor in interest to Trustor or the purchaser or grantee of the Trust Estate, to the extent such policies are assignable pursuant to the terms thereof.

1.4 Taxes and Other Impositions. Trustor shall pay, or cause to be paid, prior to delinquency, all real property taxes and assessments, general and special, and all other taxes and assessments of any kind or nature whatsoever, (including, without limitation, non-governmental levies or assessments such as maintenance charges, levies, or charges resulting from covenants, conditions and restrictions affecting the Trust Estate) that are assessed or imposed upon the Trust Estate or become due and payable and that create, may create, or appear to create a lien upon the Trust Estate.

1.5 Utilities. Trustor shall pay when due all charges that are incurred by Trustor for the benefit of the Trust Estate or that may become a charge or lien against the Trust Estate for gas, electricity, water, sewer, or other services furnished to the Trust Estate.

1.6 Actions Affecting Trust Estate. Trustor shall appear in and contest any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and shall pay all costs and expenses (including, without limitation, costs of evidence of title, litigation, and attorneys’ fees) in any such action or proceeding in which Beneficiary or Trustee may appear.

1.7 Actions By Trustee or Beneficiary. If Trustor fails to make any payment or to do any act as and in the manner provided in the Note or this Deed of Trust, Beneficiary and/or Trustee, each in its absolute and sole discretion, without obligation so to do, without releasing Trustor from any obligation, and with only such notice to or demand upon Trustor as may be reasonable under the then existing circumstances, but in no event exceeding ten (10) days prior written notice, may make or do the same in such manner and to such extent as either may deem necessary or appropriate. In connection therewith (without limiting their general powers, whether conferred herein or by law), Beneficiary and Trustee shall have and are hereby given the right, but not the obligation, (a) to enter upon and take possession of the Trust Estate; (b) to make additions, alterations, repairs and improvements to the Trust Estate that they or either of them may consider necessary or appropriate to keep the Trust Estate in good condition and repair; (c) to appear and participate in any action or proceeding



affecting or which may affect the security hereof or the rights or powers of Beneficiary or Trustee; (d) to pay, purchase, contest or compromise any Lien or Encumbrance (as defined below) or alleged Lien or Encumbrance whether superior or junior to this Deed of Trust; and (e) in exercising such powers, to pay necessary expenses (including, without limitation, expenses of employment of counsel or other necessary or desirable consultants). Trustor shall, immediately upon demand therefor by Beneficiary and Trustee or either of them, pay to Beneficiary and Trustee an amount equal to all respective reasonable costs and expenses incurred by them in connection with the exercise by either Beneficiary or Trustee or both of the foregoing rights (including, without limitation, costs of evidence of title, court costs, appraisals, surveys and receiver's, trustee's and attorneys' fees).

1.8 Transfer of Trust Estate by Trustor. In order to induce Beneficiary to accept the Note, Trustor agrees that, in the event of any Transfer (as hereinafter defined), without the prior written consent of Beneficiary, which consent may be withheld in the Beneficiary's sole and absolute discretion, Beneficiary shall have the absolute right, at its option, without prior demand or notice, to declare all sums secured hereby immediately due and payable. Consent to one such transaction shall not be deemed to be a waiver of the right to require consent to future or successive transactions. If consent should be given by Beneficiary, any such Transfer shall be subject to this Deed of Trust, and such transferee shall assume all obligations hereunder and agree to be bound by all provisions contained herein. Such assumption shall not, however, release Trustor or any maker or guarantor (if any) of the Note from any liability thereunder without the prior written consent of Beneficiary. As used herein, "**Transfer**" shall mean:

- (a) any sale, transfer, conveyance, hypothecation, encumbrance, lease, sublease, assignment, license, or vesting of the Trust Estate or any part thereof or interest therein to or in any Person, whether voluntary, involuntary, by operation of law, or otherwise;
- (b) any sale, transfer, assignment, conveyance, hypothecation, encumbrance or vesting of any ownership interest in Trustor, whether voluntary, involuntary, by operation of law, or otherwise; or
- (c) the execution of any agreements to do any of the foregoing.

1.9 Eminent Domain. In the event that any proceeding or action be commenced for the taking of the Trust Estate, or any part thereof or interest therein, for public or quasi-public use under the power of eminent domain, condemnation (including, without limitation, inverse condemnation) or otherwise (hereinafter collectively referred to as a "**Taking**"), or if the same be taken or damaged by reason of any public improvement or Taking, or should Trustor receive any notice or other information regarding such Taking or damage, Trustor shall give prompt written notice thereof to Beneficiary. All compensation, awards, damages, rights of action and proceeds awarded to Trustor by reason of any such Taking or damage or received by Trustor as the result of a transfer in lieu of a Taking (the "**Condemnation Proceeds**") are hereby assigned to Beneficiary, and Trustor agrees to execute such further assignments of the Condemnation Proceeds as Beneficiary or Trustee may require. If Trustor receives any Condemnation Proceeds Trustor shall promptly pay over such proceeds to Beneficiary to the extent of the then outstanding Obligations. Beneficiary is hereby authorized and empowered by Trustor, at Beneficiary's option and in Beneficiary's reasonable discretion, as attorney-in-fact for Trustor, to settle, adjust, or compromise any claim for loss or damage in connection with any Taking or proposed Taking and, without regard to the adequacy of its security, to commence, appear in and prosecute in its own name and/or on behalf of Trustor any such action or proceeding arising out of or relating to a Taking or proposed Taking.

1.10 Appointment of Successor Trustee. Beneficiary may, from time to time, by a written instrument executed and acknowledged by Beneficiary, mailed to Trustor and recorded in the county in which the Trust Estate is located and by otherwise complying with the provisions of applicable law, substitute a successor or successors to any Trustee named herein or acting hereunder, and such successor(s) shall, without



conveyance from the Trustee predecessor, succeed to all title, estate, rights, powers and duties of such predecessor.

1.11 Inspections. Beneficiary, and its agents, representatives officers, and employees, are authorized to enter at any reasonable time upon or in any part of the Trust Estate for the purpose of inspecting the same and for the purpose of performing any of the acts Beneficiary is authorized to perform hereunder.

1.12 Ownership and Liens and Encumbrances. Trustor is, and as to any portion of the Trust Estate acquired hereafter will upon such acquisitions be, and shall remain the owner of the Trust Estate free and clear of any Liens and Encumbrances. Trustor shall not grant, shall not suffer to exist, and shall pay and promptly discharge, at Trustor's cost and expense, all Liens and Encumbrances and any claims thereof upon the Trust Estate, or any part thereof or interest therein. Trustor shall notify Beneficiary immediately in writing of any Lien or Encumbrance or claim thereof. "Lien or Encumbrance" and "Liens and Encumbrances" mean, respectively, each and all of the following in respect of the Trust Estate: leases, other rights to occupy or use, mortgages, deeds of trust, pledges, security agreements, assignments, assignments as security, conditional sales, title retention arrangements or agreements, conditions, covenants, and restrictions, and other charges, liens, encumbrances, or adverse interests, whether voluntarily or involuntarily created and regardless of whether prior or subordinate to any estate, right, title, or interest granted to Trustee or Beneficiary in this Deed of Trust.

1.13 Trustee's Powers. At any time, or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and without affecting the personal liability of any person for payment of the Obligations or the effect of this Deed of Trust upon the remainder of said Trust Estate, Trustee may (a) reconvey any part of said Trust Estate, (b) consent in writing to the making of any map or plat thereof, (c) join in granting any easement thereon, or (d) join in any extension agreement or any agreement subordinating the lien or charge hereof.

1.14 Beneficiary's Powers. Without affecting the liability of any Person liable for the payment of the Obligations herein mentioned, and without affecting the lien or charge of this Deed of Trust upon any portion of the Trust Estate not then or theretofore released as security for the Obligations, Beneficiary may, from time to time and without notice (a) release any person so liable, (b) extend the Obligations, (c) grant other indulgences, (d) release or reconvey, or cause to be released or reconveyed, at any time at Beneficiary's option any parcel, portion or all of the Trust Estate, (e) take or release any other or additional security or any guaranty for any Obligation herein mentioned, or (f) make compositions or other arrangements with debtors in relation thereto.

**ARTICLE 2
ASSIGNMENT OF RENTS**

2.1 Assignment of Rents. Trustor hereby absolutely and irrevocably assigns and transfers to Beneficiary all the Rents of the Trust Estate, and hereby gives to and confers upon Beneficiary the right, power, and authority to collect the Rents. Trustor irrevocably appoints Beneficiary its true and lawful attorney-in-fact, at the option of Beneficiary at any time and from time to time, to demand, receive, and enforce payment, to give receipts, releases, and satisfactions, and to sue, in the name of Trustor or Beneficiary, for all Rents and apply the same to the payment of the Obligations in such order as Beneficiary shall determine. Trustor hereby authorizes and directs the sublessees, licensees, lessees, tenants, and occupants to make all payments under the Leases directly to Beneficiary upon written demand by Beneficiary, without further consent of Trustor; *provided, however,* that Trustor shall have the right to collect such Rents (but not more than one (1) month in advance unless the written approval of Beneficiary is first obtained), and to retain and enjoy same, so long as an Event of Default shall not have occurred hereunder. The assignment of the Rents of the Trust Estate in this **Article 2** is intended to be an absolute assignment from Trustor to Beneficiary, and not merely the grant of a lien or security interest.



2.2 Collection Upon an Event of Default. Upon the occurrence of an Event of Default, Beneficiary may, at any time without notice, either in person, by agent or by a receiver appointed by a court, and without regard to the adequacy of any security for the Obligations, enter upon and take possession of the Trust Estate, or any part thereof, and, with or without such entry or taking possession, in its own name sue for or otherwise collect the Rents (including, without limitation, those past due and unpaid) and apply the same, less costs and expenses of operation and collection (including, without limitation, attorneys' fees) upon payment of the Obligations in such order as Beneficiary may determine. The collection of such Rents, or the entering upon and taking possession of the Trust Estate, or the application of the Rents as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done in response to such default or pursuant to such notice of default. Trustor also hereby authorizes Beneficiary upon such entry, at its option, to take over and assume the management, operation and maintenance of the Trust Estate and to perform all acts Beneficiary in its sole discretion deems necessary and proper and to expend such sums out of Rents as may be needed in connection therewith, in the same manner and to the same extent as Trustor theretofore could do (including, without limitation, the right to enter into new leases, to cancel, surrender, alter or amend the terms of, and/or renew existing Leases, and/or to make concessions to sublessees, lessees, tenants or licensees). Trustor hereby releases all claims of any kind or nature against Beneficiary arising out of such management, operation and maintenance, excepting the liability of Beneficiary to account as hereinafter set forth and gross negligence and willful misconduct.

2.3 Application of Rents. Upon such entry, Beneficiary shall, after payment of all property charges and expenses (including, without limitation, reasonable compensation to such managing agent as it may select and employ) and after the accumulation of a reserve to meet requisite amounts, credit the net amount of the Rents received by it to the Obligations, but the manner of the application of such net income and which items shall be credited shall be determined in the sole discretion of Beneficiary. Beneficiary shall not be accountable for more monies than it actually receives from the Trust Estate; nor shall it be liable for failure to collect Rents. Beneficiary shall make reasonable efforts to collect Rents.

2.4 Mortgagee in Possession. It is not the intention of the parties hereto that an entry by Beneficiary upon the Property under the terms of this instrument shall make Beneficiary a party in possession in contemplation of the law, except at the option of Beneficiary.

2.5 Indemnity. Trustor hereby agrees to indemnify and hold harmless Beneficiary for, from and against any and all losses, liabilities, obligations, claims, demands, damages, penalties, judgments, costs, and expenses, including legal fees and expenses, howsoever and by whomsoever asserted, arising out of or in any way connected with this assignment; and all such losses, liabilities, obligations, claims, demands, damages, penalties, judgments, costs and expenses shall be deemed added to the indebtedness secured hereby and shall be secured by any and all other instruments securing said indebtedness.

2.6 No Obligation to Perform. Nothing contained herein shall obligate or be construed to obligate Beneficiary to perform any obligations of Trustor under any Lease (including, without limitation, any obligation arising out of any covenant of quiet enjoyment therein contained in the event the lessee under any such Lease shall have been joined as a party defendant in any action to foreclose and the estate of such lessee shall have been thereby terminated). Prior to actual entry into and taking possession of the Property by Beneficiary, this assignment shall not operate to place upon Beneficiary any responsibility for the operation, control, care, management or repair of the Trust Estate or any portion thereof, and the execution of this assignment by Trustor shall constitute conclusive evidence that all responsibility for the operation, control, care, management and repair of the Trust Estate is and shall be that of Trustor, prior to such actual entry and taking of possession by Beneficiary.



ARTICLE 3 SECURITY AGREEMENT

3.1 Creation of Security Interest. This Deed of Trust constitutes and shall be deemed to be a “security agreement” for all purposes of the Nevada Uniform Commercial Code. With respect to Personal Property comprising the Trust Estate, whether now owned or existing or hereafter acquired or arising, wherever located and whether in Trustor’s possession and control or in the possession and control of a third party, Beneficiary is granted a security interest hereunder, and Beneficiary shall be entitled to all the rights and remedies of a “secured party” under the Nevada Uniform Commercial Code.

3.2 Representations, Warranties and Covenants of Trustor. Trustor hereby represents, warrants and covenants (which representations, warranties and covenants shall survive creation of any indebtedness of Trustor to Beneficiary and any extension of credit thereunder) as follows:

(a) The Personal Property is not used or bought for personal, family or household purposes.

(b) The tangible portion of the Personal Property will be kept on or at the Property or Improvements, and Trustor will not, without the prior written consent of Beneficiary, remove the Personal Property or any portion thereof therefrom except such portions or items of Personal Property which are consumed or worn out in ordinary usage, all of which shall be promptly replaced by Trustor with similar items of equal or greater value.

(c) Trustor hereby authorizes Beneficiary to prepare, file and record one or more financing statements and fixture filings pursuant to the Nevada Uniform Commercial Code in form satisfactory to Beneficiary and will pay the cost of recording and filing the same in all public offices wherever recording or filing is deemed by Beneficiary to be necessary or desirable.

(d) Trustor’s principal place of business is in the State of Arizona at the address set forth in the introductory paragraph hereof. Trustor does not and shall not do business under any trade name except as previously disclosed in writing to Beneficiary. Trustor will immediately notify Beneficiary in writing of any change in its place of business, and hereby authorizes Beneficiary to prepare, file and record any additional financing statements or other certificates necessary to reflect the change.

(e) Trustor authorizes Beneficiary to prepare, file and record such financing statements in accordance with the applicable Uniform Commercial Code, or such other documents as may be required from time to time to create, maintain and perfect the liens and security interests granted herein. Trustor acknowledges that the address for Trustor appearing in the introductory paragraph hereto is the chief executive office of Trustor. Trustor further acknowledges that it is a corporation organized and existing under the laws of the State of Arizona as described in the introductory paragraph hereto. Trustor covenants and agrees that it will not make any change to its legal name, which legal name as shown in the introductory paragraph hereto is true and correct, its state of formation, organization or registration, or the location of its chief executive office or principal place of business, or its organizational structure or governing documents, without the prior written consent of Beneficiary.

(f) Trustor shall immediately notify Beneficiary of any claim against the Personal Property adverse to the interest of Beneficiary therein.

(g) The grant of a security interest to Beneficiary by this Deed of Trust shall not be construed to derogate from or impair the lien or provisions of, or the rights of Beneficiary under, this Deed of Trust with respect to any property described herein which is real property, or which the parties have agreed to treat as real property.



3.3 Use of Personal Property by Trustor. Until the occurrence of an Event of Default hereunder or under any other Financing Document, Trustor may have possession of the Personal Property and use it in any lawful manner not inconsistent with this Deed of Trust and not inconsistent with any policy of insurance thereon.

3.4 Remedies Upon an Event of Default.

(a) In addition to the remedies provided in **Section 4.2** hereof, upon the occurrence of an Event of Default hereunder, Beneficiary shall have all of the rights and remedies of a Secured Party under the Nevada Uniform Commercial Code, and Beneficiary may, at its option, do any one or more of the following:

(i) Either personally, or by means of a court appointed receiver, take possession of all or any of the Personal Property and exclude therefrom Trustor and all others claiming under Trustor, and thereafter hold, store, use, operate, manage, maintain and control, make repairs, replacements, alterations, additions and improvements to and exercise all rights and powers of Trustor with respect to the Personal Property or any part thereof. In the event Beneficiary demands, or attempts to take possession of the Personal Property in the exercise of any rights under this Deed of Trust, Trustor agrees to promptly turn over and deliver possession thereof to Beneficiary;

(ii) Without notice to or demand upon Trustor, make such payments and do such acts as Beneficiary may deem necessary to protect its security interest in the Personal Property (including, without limitation, paying, purchasing, contesting or compromising any Lien or Encumbrance, whether superior or inferior to such security interest) and in exercising any such powers or authority to pay all expenses (including, without limitation, litigation costs and reasonable attorney's fees) incurred in connection therewith;

(iii) Require Trustor from time to time to assemble the Personal Property, or any portion thereof, at a place designated by Beneficiary and reasonably convenient to both parties, and deliver promptly such Personal Property to Beneficiary, or an agent or representative designated by Beneficiary. Beneficiary, and its agents and representatives, shall have the right to enter upon any or all of Trustor's Property to exercise Beneficiary's rights hereunder;

(iv) Realize upon the Personal Property or any part thereof as herein provided or in any manner permitted by law and exercise any and all of the other rights and remedies conferred upon Beneficiary by this Deed of Trust, any other Financing Document, or by law, either concurrently or in such order as Beneficiary may determine;

(v) Sell or cause to be sold in such order as Beneficiary may determine, as a whole or in such parcels as Beneficiary may determine, the Personal Property and the remainder of the Trust Estate;

(vi) Sell, lease, or otherwise dispose of the Personal Property at public sale, upon terms and in such manner as Beneficiary may determine, and Beneficiary may be a purchaser at any sale; and

(vii) Exercise any other remedies of a secured party under the Nevada Uniform Commercial Code, this Deed of Trust or any other applicable law.

(b) Unless the Personal Property is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Beneficiary shall give Trustor at least ten (10)



days' prior written notice of the time and place of any public sale of the Personal Property or other intended disposition thereof to be made. Such notice may be mailed to Trustor at the address set forth in **Section 6.3**.

(c) The proceeds of any sale under this **Section 3.4** shall be applied as follows:

(i) To the repayment of the reasonable costs and expenses of taking, holding, and preparing for the sale and the selling of the Personal Property (including, without limitation, costs of litigation and attorneys' fees) and the discharge of all Impositions, Liens and Encumbrances, and claims thereof, if any, on the Personal Property prior to the security interest granted herein (except any Impositions or Liens and Encumbrances subject to which such sale shall have been made);

(ii) To the payment of the Obligations in such order as Beneficiary shall determine; and

(iii) The surplus, if any, shall be paid to the Trustor or to whomsoever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct.

Beneficiary shall have the right to enforce one or more remedies hereunder, successively or concurrently, and such action shall not operate to estop or prevent Beneficiary from pursuing any further remedy that it may have. Any repossession or retaking or sale of the Personal Property pursuant to the terms hereof shall not operate to release Trustor until full payment of any deficiency has been made in cash.

3.5 Fixture Filing. Upon its recording in the real property records, this Deed of Trust shall be effective as a financing statement filed as a fixture filing, and as a recorded financing statement to perfect a security interest in all as-extracted collateral. In addition, a carbon, photographic or other reproduced copy of this Deed of Trust and/or any financing statement relating hereto shall be sufficient for filing and/or recording as a financing statement. The filing of any other financing statement relating to any personal property, rights or interests described herein shall not be construed to diminish any right or priority hereunder.

3.6 Financing Statement. Trustor hereby irrevocably authorizes Beneficiary at any time and from time to time to file in any filing office in any Uniform Commercial Code jurisdiction any initial financing statements and amendments thereto that (A) indicate the Collateral (1) as all assets of Trustor or words of similar effect, regardless of whether any particular asset comprised in the Collateral falls within the scope of Article 9 of the applicable Uniform Commercial Code or such jurisdiction, or (2) as being of an equal or lesser scope or with greater detail, and (B) contain any other information required by Part 5 of Article 9 of the applicable Uniform Commercial Code for the sufficiency or filing office acceptance of any financing statement or amendment, including (1) whether Trustor is an organization, the type of organization and any organization identification number issued to Trustor, and (2) in the case of a financing statement filed as a fixture filing or indicating Collateral as as-extracted collateral or timber to be cut, a sufficient description of real property to which the Collateral relates. Trustor agrees to furnish any such information to Beneficiary promptly upon request. Trustor also ratifies its authorization for Beneficiary to have filed in any Uniform Commercial Code jurisdiction any initial financing statements or amendments thereto if filed prior to the date hereof. Beneficiary is fully authorized to file, record, or otherwise utilize such documents as it deems necessary to perfect and/or enforce any security interest or lien granted hereunder.

**ARTICLE 4
REMEDIES UPON DEFAULT**

4.1 Events of Default. "Event of Default" as used herein means the failure of the Trustor to pay or perform any of the Obligations as and when due or to pay or perform when due any other liens or



encumbrances affecting the Trust Estate. Beneficiary shall give Trustor written notice of any default. Trustor shall have a period of five (5) days to cure a default in the payment of sums owed Beneficiary, and a period of thirty (30) days to cure any other default.

4.2 Acceleration Upon Default; Additional Remedies. Upon the occurrence of an Event of Default, Beneficiary may, at its option, declare all or any part of the Obligations immediately due and payable without any presentment, demand, protest or notice of any kind. Beneficiary may, in addition to the exercise of any or all of the remedies specified in **Section 3.4**:

(a) Either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court and without regard to the adequacy of its security, enter upon and take possession of the Trust Estate, or any part thereof, in its own name or in the name of Trustee, and do any acts that it deems necessary or desirable to preserve the value, marketability or rentability of the Trust Estate, or any part thereof or interest therein, increase the income therefrom or protect the security hereof and, with or without taking possession of the Trust Estate, sue for or otherwise collect the Rents, or any part thereof, including, without limitation, those past due and unpaid, and apply the same, less costs and expenses of operation and collection (including, without limitation, attorneys' fees) upon the Obligations, all in such order as Beneficiary may determine. The entering upon and taking possession of the Trust Estate, the collection of such Rents and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done in response to such default or pursuant to such notice of default and, notwithstanding the continuance in possession of all or any portion of the Trust Estate or the collection, receipt and application of Rents, Trustee or Beneficiary shall be entitled to exercise every right provided for in this Deed of Trust or by law upon occurrence of any Event of Default, including, without limitation, the right to exercise the power of sale;

(b) Commence an action to foreclose the lien of this Deed of Trust as a mortgage, appoint a receiver, or specifically enforce any of the covenants hereof;

(c) Exercise of the power of sale herein contained and deliver to Trustee a written statement of breach, notice of default and election to cause Trustor's interest in the Trust Estate to be sold; or

(d) Exercise all other rights and remedies provided herein or in other document or agreement now or hereafter securing or guarantying all or any portion of the Obligations, or by law, including but not limited to the Note, the Note Purchase Agreement and related documents.

4.3 Exercise of Power of Sale. After the lapse of such time as may then be required by law following the recordation of the notice of default, and notice of default and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell the Trust Estate on the date and at the time and place designated in the notice of sale, either as a whole or in separate parcels, and in such order as Beneficiary may determine (but subject to any statutory right of Trustor to direct the order in which such property, if consisting of several known lots or parcels, shall be sold), at public auction to the highest bidder, the purchase price payable in lawful money of the United States at the time of sale. The person conducting the sale may, for any cause deemed expedient, postpone the sale from time to time until it shall be completed and, in every such case, notice of postponement shall be given as required by Nevada law. Trustee shall execute and deliver to the purchaser a trustee's deed conveying the Property so sold pursuant to Nevada law. Any person, including Beneficiary, may bid at the sale. Trustee shall apply the proceeds of the sale as follows:

FIRST: To the costs and expenses of exercising the power of sale and of the sale, including the payment of the trustee's fees and reasonable attorney's fees actually incurred.

SECOND: To payment of the obligations secured by the trust deed.



THEREAFTER in accordance with Nevada law.

Upon any sale made under or by virtue of this section, whether made under the power of sale herein granted or under or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale, the Beneficiary may bid for and acquire the Trust Estate or any part thereof and, in lieu of paying cash therefor, may make settlement for the purchase price by crediting upon the Obligations of Trustor secured by this Deed of Trust the net sales price, after deducting therefrom the expenses of the sale and the cost of the action and any other sums which the Beneficiary is authorized to deduct under this Deed of Trust. Beneficiary, upon so acquiring the Property or any part thereof, shall be entitled to hold, lease, rent, operate, manage, and sell the same in any manner provided by applicable laws.

4.4 Personal Property. Upon any Event of Default, Beneficiary may exercise all rights and remedies available under the Nevada Uniform Commercial Code as to any Personal Property. It is the express understanding and intent of the parties that as to any personal property interests subject to Article 9 of the Nevada Uniform Commercial Code, Beneficiary, upon an Event of Default, may proceed under the Nevada Uniform Commercial Code or may proceed as to both real and personal property interests in accordance with the provisions of this Deed of Trust and its rights and remedies in respect of real property, and treat both real and personal property interests as one parcel or package of security.

4.5 Appointment of Receiver. Upon the occurrence of an Event of Default, Beneficiary, as a matter of right and without notice to Trustor or any one claiming under Trustor, and without regard to the then value of the Trust Estate or the interest of Trustor therein, shall have the right to apply to any court having jurisdiction to appoint a receiver or receivers of the Trust Estate, and Trustor hereby irrevocably consents to such appointment and waives notice of any application therefor. Any such receiver or receivers shall have all the usual powers and duties of receivers in like or similar cases, and all the powers and duties of Beneficiary in case of entry as provided herein, and shall continue as such and exercise all such powers until the later of the date of confirmation of sale of the Trust Estate or the date of expiration of any redemption period, unless such receivership is sooner terminated.

4.6 Remedies Not Exclusive. Trustee and Beneficiary, and each of them, shall be entitled to enforce payment and performance of any and all of the Obligations and to exercise all rights and powers under the Note, this Deed of Trust and under the law now or hereafter in effect, notwithstanding some or all of the Obligations may now or hereafter be otherwise secured or guaranteed. Neither the acceptance of this Deed of Trust nor its enforcement, whether by court action or pursuant to the power of sale or other rights herein contained, shall prejudice or in any manner affect Trustee's or Beneficiary's right to realize upon or enforce any other security or guaranty now or hereafter held by Trustee or Beneficiary, it being agreed that Trustee and Beneficiary, and each of them, shall be entitled to enforce this Deed of Trust and any other security or any guaranty now or hereafter held by Beneficiary or Trustee in such order and manner as they or either of them may in their absolute discretion determine. No remedy herein conferred upon or reserved to Trustee or Beneficiary is intended to be exclusive of any other remedy herein or by law provided or permitted, but each shall be cumulative and shall be in addition to every other remedy given hereunder, or now or hereafter existing under the law. Every power or remedy given by Note, this Deed of Trust or by law to Trustee or Beneficiary or to which either of them may be otherwise entitled, may be exercised, concurrently or independently, from time to time and as often as may be deemed expedient by Trustee or Beneficiary and, to the extent permitted by law, either of them may pursue inconsistent remedies.

4.7 Deficiency. Trustor agrees to pay any deficiency arising from any cause to which Beneficiary may be entitled after applications of the proceeds of any sale.

4.8 One Action Rule and Deficiency Statute. Trustor knowingly waives, to the fullest extent permitted by applicable law, the rights, protections and benefits afforded to Trustor under NRS 40.430 or under any one action rule in effect in the State of Nevada and any successor or replacement statute or any similar laws or benefits.



4.9 Marshalling of Assets. Trustor, on its own behalf and on behalf of its successors and assigns, hereby expressly waives all rights to require a marshalling of assets by Trustee or Beneficiary, or to require Trustee or Beneficiary, upon a foreclosure, to first resort to the sale of any portion of the Trust Estate which might have been retained by Trustor before foreclosing upon and selling any other portion as may be conveyed by Trustor subject to this Deed of Trust.

4.10 Request for Notice. Trustor hereby requests a copy of any notice of default and that any notice of sale hereunder be mailed to it at the address set forth in **Section 6.3.**

ARTICLE 5 RELEASE AND RECONVEYANCE OF TRUST ESTATE

5.1 Reconveyance by Trustee. Upon written request of Beneficiary stating that all Obligations have been satisfied in full, and upon surrender of this Deed of Trust and the Note to Trustee for cancellation and retention and upon payment by Trustor of Trustee's fees, Trustee shall reconvey to Trustor, or to the person or persons legally entitled thereto, without warranty, any portion of the Trust Estate then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in any reconveyance may be described as "the person or persons legally entitled thereto."

5.2 Partial Reconveyance. At any time, without liability therefore and without notice, and without affecting the personal liability of Trustor or any other person for payment of the Obligations, Trustee may, with the consent of Beneficiary: (a) release and reconvey by deed of reconveyance, any part of the Trust Estate from the lien hereof; (b) consent to the making and recording of any maps or plats of the Trust Estate; (c) join in granting any easement on the Trust Estate; or (d) join in any extension agreement or any agreement subordinating or modifying the lien or charge hereof. If Trustee shall perform any such acts or execute complete or partial reconveyances it shall be paid a fee in accordance with its established fees and charges therefor.

ARTICLE 6 MISCELLANEOUS

6.1 Change, Discharge, Termination, or Waiver. No provision of this Deed of Trust may be changed, discharged, terminated, or waived except in a writing signed by the party against whom enforcement of the change, discharge, termination, or waiver is sought. No failure on the part of Beneficiary to exercise and no delay by Beneficiary in exercising any right or remedy under the Note, this Deed of Trust or under the law shall operate as a waiver thereof.

6.2 Trustor Waiver of Rights. Trustor waives, to the extent permitted by law, (a) the benefit of all laws now existing or that may hereafter be enacted providing for any appraisal before sale of any portion of the Trust Estate, and (b) all rights of redemption, valuation, appraisal, stay of execution, notice of election to mature or declare due the Obligations and marshaling in the event of foreclosure of the liens hereby created, and (c) all rights and remedies that Trustor may have or be able to assert pertaining to the rights and remedies of sureties.

6.3 Notices. All notices, requests and demands to be made hereunder to the parties hereto shall be in writing and shall be delivered by hand or sent by registered or certified mail, return receipt requested, (except for any notice address which is a post office box, in which case notice shall be given by first class mail) through the United States Postal Service to the addresses shown below or such other address which the parties may provide to one another in accordance herewith. Such notices, requests and demands, if sent by mail, shall be deemed given two (2) days after deposit in the United States mail, and if delivered by hand, shall be deemed given when delivered.



To Beneficiary:

Clarity Copper, LLC
Attn: Clinton Walker, Manager
100 North Crescent Drive
Beverly Hills, CA 90210

and

Skye Silver, LLC
Attn: David V. Richards
500 South Front St., Suite 1200
Columbus, OH 43215

To Trustor:

International Silver, Inc.
5210 East Williams Circle, Suite 700
Tucson, AZ 85711

6.4 Captions and References. The headings at the beginning of each section of this Deed of Trust are solely for convenience and are not part of this Deed of Trust. Unless otherwise indicated, each reference in this Deed of Trust to a section or an exhibit is a reference to the respective section herein or exhibit hereto.

6.5 Invalidity of Certain Provisions. If any provision of this Deed of Trust is unenforceable, the enforceability of the other provisions shall not be affected and they shall remain in full force and effect. If the lien of this Deed of Trust is invalid or unenforceable as to any part of the Obligations, or if the lien is invalid or unenforceable as to any part of the Trust Estate, the unsecured or partially secured portion of the Obligations shall be completely paid prior to the payment of the remaining and secured or partially secured portion of the Obligations, and all payments made on the Obligations, whether voluntary or under foreclosure or other enforcement action or procedure, shall be considered to have been first paid on and applied to the full payment of that portion of the Obligations which is not secured or fully secured by the lien of this Deed of Trust.

6.6 Attorneys' Fees. If any or all of the Obligations are not paid when due or if default or Event of Default occurs, Trustor agrees to pay all costs of enforcement and collection and preparation therefor (including, without limitation, reasonable attorney's fees) whether or not any action or proceeding is brought (including, without limitation, all such costs incurred in connection with any bankruptcy, receivership, or other court proceedings (whether at the trial or appellate level)).

6.7 Governing Law. This Deed of Trust and the rights and obligations of the parties hereunder shall be governed by and construed and interpreted in accordance with the laws of the State of Nevada (excluding Nevada conflict of laws rules unless expressly provided to the contrary herein).

6.8 Joint and Several Obligations. If this Deed of Trust is signed by more than one party as Trustor, all obligations of Trustor herein shall be the joint and several obligations of each party executing this Deed of Trust as Trustor.

6.9 Number and Gender. In this Deed of Trust the singular shall include the plural and the masculine shall include the feminine and neuter gender and vice versa, if the context so requires.

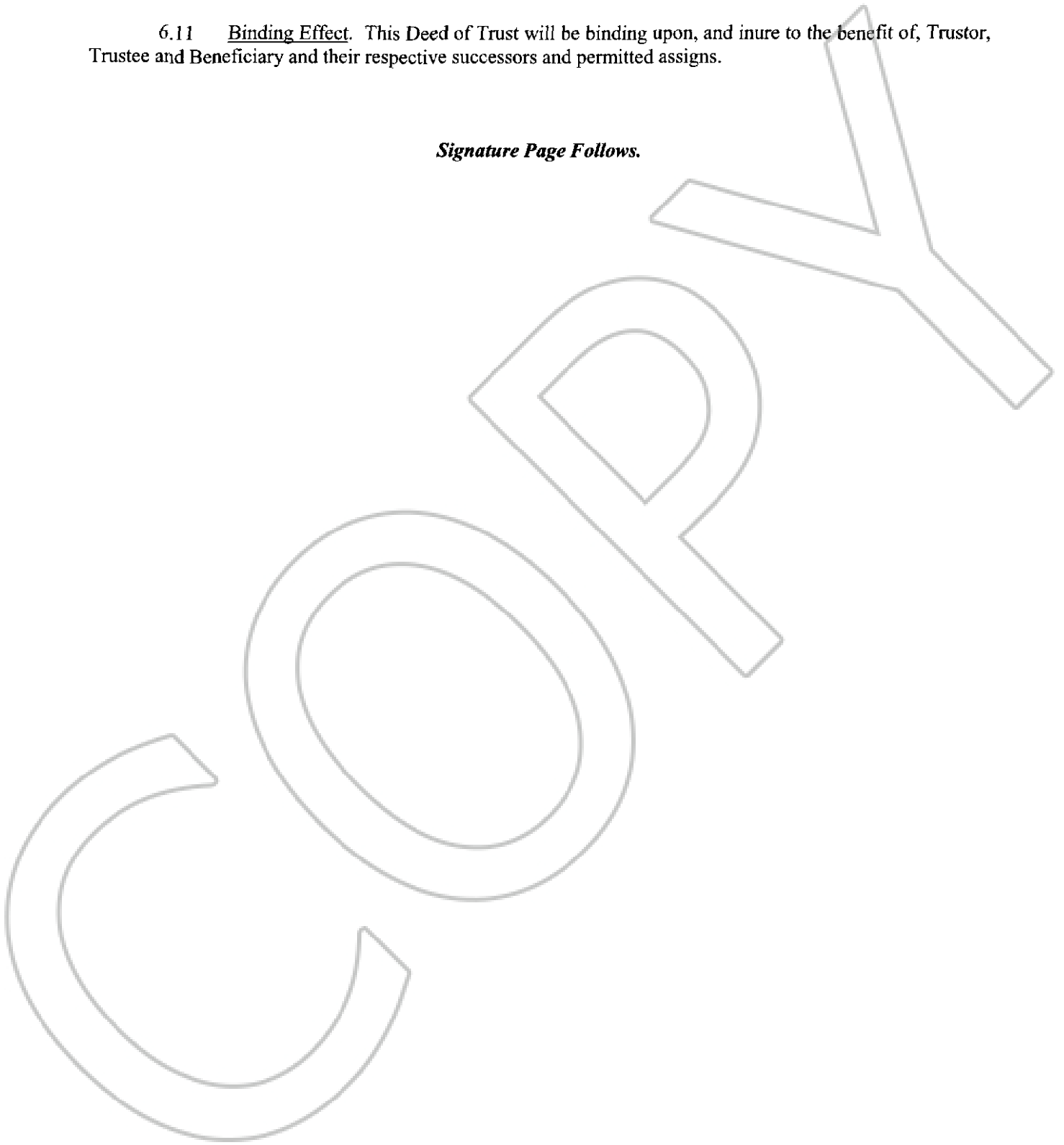
6.10 Status of Title. Trustor represents and warrants that it is the lawful owner of the Trust Estate free and clear of all Liens and Encumbrances created or caused by Trustor, and that Trustor has full right,



power and authority (and has obtained all third party consents required) to convey and mortgage the same and to execute this Deed of Trust.

6.11 Binding Effect. This Deed of Trust will be binding upon, and inure to the benefit of, Trustor, Trustee and Beneficiary and their respective successors and permitted assigns.

Signature Page Follows.





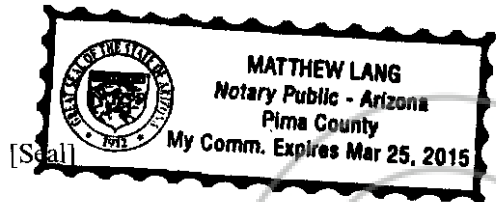
IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as of the day and year first above written.

INTERNATIONAL SILVER NEVADA, INC.

By: H. R. Shipes
Name: HAROLD Roy SHIPES
Title: PRESIDENT & CEO

STATE OF Arizona)
) : ss.
COUNTY OF Pima)

The foregoing instrument was acknowledged before me this 25th day of May, 2011, by Harold R. Shipes, the President of International Silver Nevada, Inc., on behalf of such corporation.



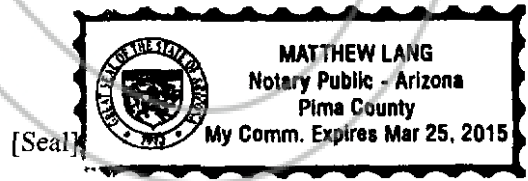
Matthew Lang
NOTARY PUBLIC
Residing at _____

INTERNATIONAL SILVER, INC.

By: H. R. Shipes
Name: HAROLD Roy SHIPES
Title: PRESIDENT & CEO

STATE OF Arizona)
) : ss.
COUNTY OF Pima)

The foregoing instrument was acknowledged before me this 25th day of May, 2011, by Harold R. Shipes, the President of International Silver, Inc., on behalf of such corporation.



Matthew Lang
NOTARY PUBLIC
Residing at _____



**EXHIBIT A
DESCRIPTION OF THE PROPERTY**

All of Trustor's right, title and interest in that certain property located in Lincoln County, State of Nevada, more particularly described as follows, which consists of a leasehold interest at the time of execution of this Deed of Trust:

The Prince Mine consists of the following twelve patented mineral claims encompassing approximately 227 acres in Sections 28, 32 and 33, T1N, R67E, MDB&M, Ely Mining District, Lincoln County, Nevada

<u>Claim</u>	<u>Mineral Survey</u>	<u>Patent Number</u>
Prince	1404	24874
Great Western	3518	84918
California	3520	71070
Gladstone	3536	110843
Davidson	3767	166301
Louise	3528	95598
Soft Snap	3536	110843
Bullion Belcher No 1	3687	270748
Bullion Belcher No 2	3687	270748
Bullion Belcher No 3	3687	270748
Bullion Belcher No 5	3687	270748
Bullion Belcher No 6	3687	270748

The property is subject to the following rights-of-way or easements

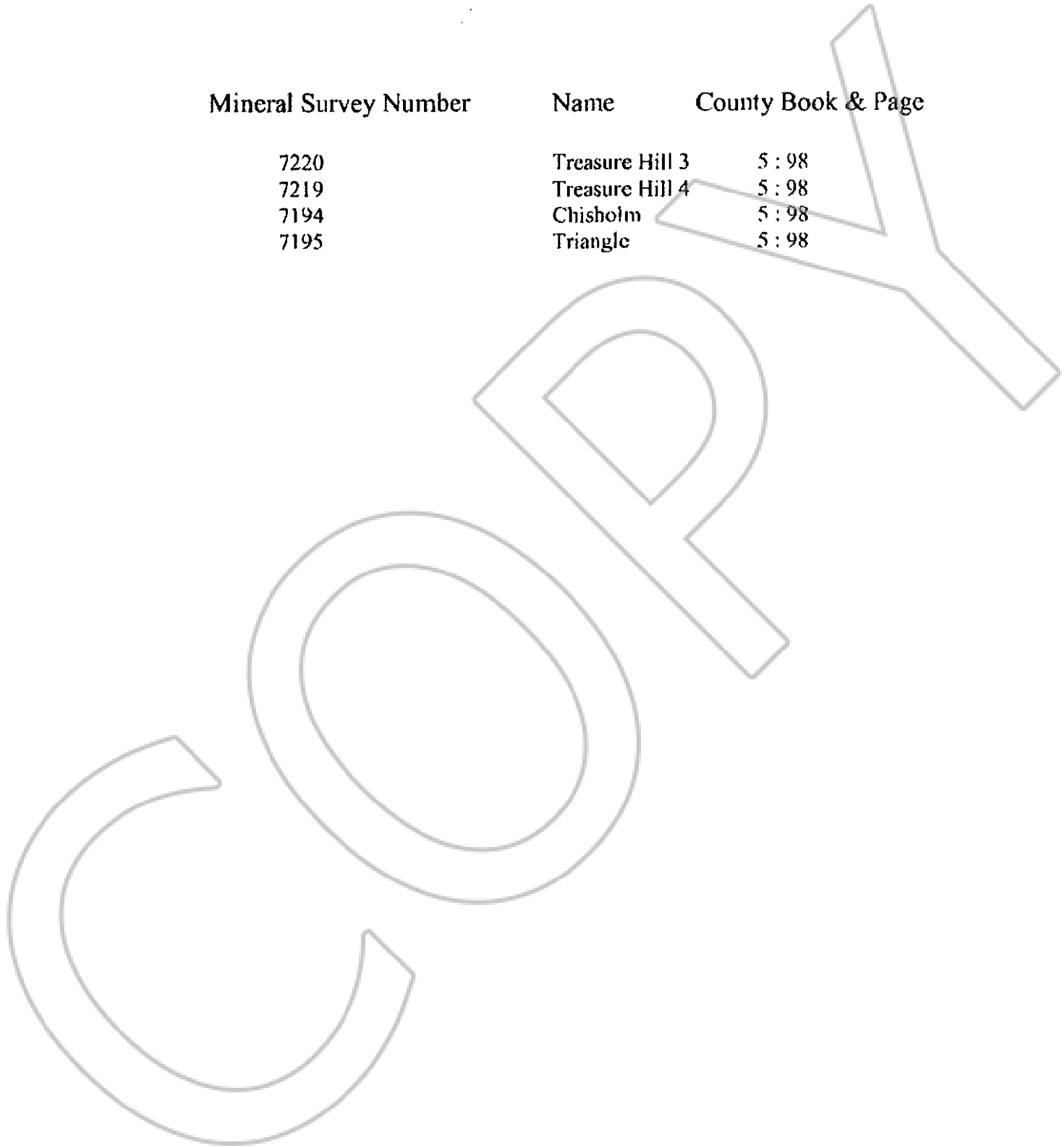
1. To **Lincoln County Power District No. 1**, (date ~1938), for power line right of-way for 22,000 KVA main line to Panaca Nevada.
2. To **Lincoln County Power District No. 1**, (date 1940s ?), for power line right of-way for 2,300 KVA line to Prince Mine sub-station.
3. To **Lincoln County Power District No. 1**, (date ~1980s), for power line right of-way for second 22,000 KVA main line to Panaca Nevada built in early 1980s.
4. To **Nevada Highway Department** (date ~ 1952); for State Route 320
5. To **Nevada Highway Department** (date ~ 1952); for paved access road into Prince Mine; - which right-of-way was deeded to **Lincoln County** (date ~ 1985)
6. To **Union Pacific Railroad** (date, ~1941); for rail line into the property.



All of Trustor's right, title and interest in that certain property located in Lincoln County, State of Nevada, more particularly described as follows:

PATENTED MILLSITE CLAIMS

Mineral Survey Number	Name	County Book & Page
7220	Treasure Hill 3	5 : 98
7219	Treasure Hill 4	5 : 98
7194	Chisholm	5 : 98
7195	Triangle	5 : 98





Unpatented Claims

<u>Serial No.</u>	<u>Claim Name/Number</u>	<u>Lead Serial No.</u>	<u>Disposition</u>
NMC1029002	RUDY NO. 3	NMC1029002	ACTIVE
NMC1029003	RUDY NO. 9	NMC1029002	ACTIVE
NMCS1634	CASELTON # 1	NMCS1634	ACTIVE
NMCS1635	CASELTON # 2	NMCS1634	ACTIVE
NMCS1636	CASELTON # 3	NMCS1634	ACTIVE
NMCS1637	CASELTON # 4	NMCS1634	ACTIVE
NMCS1638	CASELTON # 5	NMCS1634	ACTIVE
NMCS1639	CASELTON # 6	NMCS1634	ACTIVE
NMCS1640	CASELTON # 7	NMCS1634	ACTIVE
NMCS1641	CASELTON # 8	NMCS1634	ACTIVE
NMCS1642	CASELTON # 9	NMCS1634	ACTIVE
NMCS1643	CASELTON # 10	NMCS1634	ACTIVE
NMCS1644	CASELTON # 11	NMCS1634	ACTIVE
NMCS1645	CASELTON # 12	NMCS1634	ACTIVE
NMCS1646	CASELTON # 13	NMCS1634	ACTIVE
NMCS1647	CASELTON # 14	NMCS1634	ACTIVE
NMCS1648	CASELTON # 15	NMCS1634	ACTIVE
NMCS1649	CASELTON # 16	NMCS1634	ACTIVE
NMCS1650	CASELTON # 17	NMCS1634	ACTIVE
NMCS1651	CASELTON # 18	NMCS1634	ACTIVE
NMCS1652	CASELTON # 19	NMCS1634	ACTIVE
NMCS1653	CASELTON # 20	NMCS1634	ACTIVE
NMCS1654	CASELTON # 21	NMCS1634	ACTIVE
NMCS1655	CASELTON # 22	NMCS1634	ACTIVE
NMCS1656	CASELTON # 23	NMCS1634	ACTIVE
NMCS1658	CASELTON # 25	NMCS1634	ACTIVE
NMCS1659	CASELTON # 26	NMCS1634	ACTIVE
NMCS1660	CASELTON # 27	NMCS1634	ACTIVE
NMCS1662	CASELTON # 29	NMCS1634	ACTIVE
NMCS1663	CASELTON # 30	NMCS1634	ACTIVE
NMCS1664	CASELTON # 31	NMCS1634	ACTIVE
NMCS1665	CASELTON # 32	NMCS1634	ACTIVE
NMCS1666	CASELTON # 33	NMCS1634	ACTIVE
NMCS1667	CASELTON # 34	NMCS1634	ACTIVE
NMCS1668	CASELTON # 35	NMCS1634	ACTIVE
NMCS1669	CASELTON # 36	NMCS1634	ACTIVE
NMCS1670	CASELTON # 37	NMCS1634	ACTIVE
NMCS1671	CASELTON # 38	NMCS1634	ACTIVE
NMCS1672	CASELTON # 39	NMCS1634	ACTIVE
NMCS1673	CASELTON # 40	NMCS1634	ACTIVE
NMCS1675	CASELTON # 42	NMCS1634	ACTIVE
NMCS1686	WADE HAMPTON	NMCS1686	ACTIVE
NMCS1687	PETER COOPER	NMCS1686	ACTIVE



Unpatented Claims

<u>Serial No.</u>	<u>Claim Name/Number</u>	<u>Lead Serial No.</u>	<u>Disposition</u>
NMC51688	BEN FRANKLIN	NMC51686	ACTIVE
NMC51689	PIOCHE CENTRAL	NMC51686	ACTIVE
NMC51690	JUMBO	NMC51686	ACTIVE
NMC51691	ABE LINCOLN	NMC51686	ACTIVE
NMC51692	HORRIS GREELY	NMC51686	ACTIVE
NMC51693	LEGAL TENDER	NMC51686	ACTIVE
NMC51694	TRIBUTE	NMC51686	ACTIVE
NMC51695	WEDGE	NMC51686	ACTIVE
NMC51696	KENTUCKY# 1	NMC51686	ACTIVE
NMC51697	KENTUCKY	NMC51686	ACTIVE
NMC51698	RUDY # 1	NMC51686	ACTIVE
NMC51699	RUDY # 2	NMC51686	ACTIVE
NMC51701	RUDY # 4	NMC51686	ACTIVE
NMC51702	RUDY # 5	NMC51686	ACTIVE
NMC51703	RUDY # 6	NMC51686	ACTIVE
NMC51704	RUDY # 7	NMC51686	ACTIVE
NMC51705	RUDY # 8	NMC51686	ACTIVE
NMC51707	RUDY # 10	NMC51686	ACTIVE
NMC51708	EMMA	NMC51686	ACTIVE
NMC51709	BUD # 2	NMC51686	ACTIVE
NMC51710	BUD # 3	NMC51686	ACTIVE
NMC51711	BUD	NMC51686	ACTIVE
NMC51712	DORIS #8	NMC51686	ACTIVE
NMC51713	DORIS #9	NMC51686	ACTIVE
NMC51714	DORIS #10	NMC51686	ACTIVE
NMC51715	DORIS #11	NMC51686	ACTIVE
NMC51716	DORIS #12	NMC51686	ACTIVE
NMC51717	DORIS #13	NMC51686	ACTIVE
NMC51718	DORIS #14	NMC51686	ACTIVE
NMC51719	SWANSEA # 1	NMC51686	ACTIVE
NMC51720	SWANSEA # 2	NMC51686	ACTIVE
NMC51721	SWANSEA # 3	NMC51686	ACTIVE
NMC51722	SWANSEA # 4	NMC51686	ACTIVE
NMC51723	SWANSEA # 5	NMC51686	ACTIVE
NMC51724	SWANSEA # 6	NMC51686	ACTIVE
NMC51725	SWANSEA # 7	NMC51686	ACTIVE
NMC51726	TREASURE HILL # 3	NMC51686	ACTIVE
NMC51727	TREASURE HILL # 4	NMC51686	ACTIVE
NMC51728	CHISHOLM FRAC	NMC51686	ACTIVE
NMC51729	TRIANGLE	NMC51686	ACTIVE
NMC51730	LOST TREASURE # 2	NMC51686	ACTIVE
NMC51731	LOST TREASURE	NMC51686	ACTIVE
NMC51732	ROCK	NMC51686	ACTIVE
NMC51733	MERRY # 1	NMC51686	ACTIVE
NMC51734	MERRY # 2	NMC51686	ACTIVE
NMC51735	MERRY # 3	NMC51686	ACTIVE
NMC51736	MERRY # 4	NMC51686	ACTIVE
NMC51737	MERRY # 5	NMC51686	ACTIVE



Unpatented Claims

<u>Serial No.</u>	<u>Claim Name/Number</u>	<u>Lead Serial No.</u>	<u>Disposition</u>
NMC51738	MERRY # 6	NMC51686	ACTIVE
NMC51739	GENERAL GRANT # 1	NMC51686	ACTIVE
NMC51740	GENERAL GRANT	NMC51686	ACTIVE
NMC624941	K-J # 1	NMC624941	ACTIVE
NMC624942	K-J # 2	NMC624941	ACTIVE
NMC624943	K-J # 3	NMC624941	ACTIVE
NMC677127	MARSHA NO. 1	NMC677127	ACTIVE
NMC677128	MARSHA NO. 2	NMC677127	ACTIVE
NMC677129	MARSHA NO. 3	NMC677127	ACTIVE
NMC677130	MARSHA NO. 4	NMC677127	ACTIVE
NMC677131	MARSHA NO. 5	NMC677127	ACTIVE
NMC688206	MMI 206	NMC688206	ACTIVE
NMC688207	MMI 207	NMC688206	ACTIVE
NMC688208	MMI 208	NMC688206	ACTIVE
NMC688209	MMI 209	NMC688206	ACTIVE
NMC964362	OX-1	NMC964362	ACTIVE
NMC964363	OX-2	NMC964362	ACTIVE

Number of ACTIVE cases: 100



EXHIBIT B

DESCRIPTION OF PERSONAL PROPERTY

(a) All personal property (including, without limitation, all goods, supplies, equipment, furniture, furnishings, fixtures, machinery, inventory, and construction materials) in which Trustor now or hereafter acquires an interest or right, which is now or hereafter located on or affixed to the Property or the Improvements or used or useful in the operation, use, or occupancy thereof or the construction of any Improvements thereon, together with any interest of Trustor in and to personal property which is leased or subject to any superior security interest, and all books, records, leases and other agreements, documents, and instruments of whatever kind or character, relating to the Property, Improvements, or such personal property;

(b) All fees, income, rents, issues, profits, earnings, receipts, royalties, and revenues which, after the date hereof and while any portion of the Obligations remains unpaid or unperformed, may accrue from such personal property or any part thereof or from the Property, the Improvements or any other part of the Trust Estate, or which may be received or receivable by Trustor from any hiring, using, letting, leasing, subhiring, subletting, subleasing, occupancy, operation, or use thereof;

(c) All of Trustor's present and future rights to receive payments of money, services, or property, including, without limitation, rights to all deposits from tenants of any portion of the Property or Improvements, rights to receive capital contributions or subscriptions from Trustor's partners or shareholders, amounts payable on account of the sale of partnership interests in Trustor or the capital stock of Trustor;

(d) All other intangible property and rights relating to the Property, the Improvements, the personal property described in **Paragraph (a)** above or the operation, occupancy, or use thereof, including, without limitation, all governmental and private contracts, agreements, permits, licenses, and approvals relating to construction on or operation, occupancy, or use of the Property or Improvements, all names under or by which the Property or Improvements may at any time be operated or known, all rights to carry on business under any such names, or any variant thereof, all trade names and trademarks relating in any way to the Property or the Improvements, and all good will in any way relating to the Property or the Improvements.

(e) Trustor's rights under all insurance policies covering the Property, the Improvements, the Personal Property, and the other parts of the Trust Estate and any and all proceeds, loss payments, and premium refunds payable regarding the same;

(f) All reserves, deferred payments, deposits, refunds, cost savings, and payments of any kind relating to the construction of any Improvements on the Property;

(g) All water stock relating to the Property;

(h) All causes of action, claims, compensation, and recoveries for any damage to, destruction of, or condemnation or taking of the Property, the Improvements, the Personal Property, or any other part of the Trust Estate, or for any conveyance in lieu thereof, whether direct or consequential, or for any damage or injury to the Property, the Improvements, the Personal Property, or any other part of the Trust Estate, or for any loss or diminution in value of the Property, the Improvements, the Personal Property, or any other part of the Trust Estate;

(i) All geological, architectural, structural, mechanical, and engineering plans and specifications prepared for construction of Improvements or extraction of minerals or gravel from the Property and all studies, data, and drawings related thereto; and also all contracts and agreements of the Trustor relating to the aforesaid plans and specifications or to the aforesaid studies, data, and drawings or to the construction of Improvements on or extraction of minerals or gravel from the Property; and



(j) All proceeds from sale or disposition of any of the aforesaid collateral;

As used in this **Exhibit B** the terms "Obligations", "Note", "Trust Estate", "Property", "Improvements", and "Personal Property" shall have the meanings set forth in the Deed of Trust to which this **Exhibit B** is attached.

