

DOCUMENTARY TRANSFER TAX \$
COMPUTED ON FULL VALUE OF PROPERTY CONVEYED,
OR COMPUTED ON FULL VALUE LESS LIENS AND
ENCUMBRANCES REMAINING AT TIME OF SALE.
Signature of Declarant or Agent Determining Tax. Firm Name

72218

REAL ESTATE MORTGAGE

THIS MORTGAGE executed at Grand Junction, Colorado on the 7th day of January, 1980, between WINDFALL VENTURE, a general partnership composed of William E. Foster, Robert G. Wilson, Chan Edmonds and William L. Wilson, all of Grand Junction, Colorado, and Kenneth E. Johnson of Reno, Nevada, ("Mortgagor") and IDAHO MINING CORPORATION, a Nevada corporation, ("Mortgagee").

1. Grant of Mortgage. For good and valuable consideration of the aggregate sum of One Million Dollars (\$1,000,000.00) as stated in the installment promissory note ("Note") of the same date as this Mortgage, the Mortgagor conveys and grants to the Mortgagee, its successors or assigns, those certain patented mining claims, unpatented mining claims, millsite claims, and water rights situated in Eureka County, Nevada described as follows:

<u>Claim Name</u>	<u>U.S. Mineral Survey Number</u>
Jim Crow	3705
Jim Crow Fraction	3705
Southern Cross	3705
Elmer	3705
Elmer Fraction	3705
Windfall	3705
Windfall Fraction	3705
"2G"	3705
May	3705
May Fraction	3705
Windfall Extension Fraction	4537
Rustler No. 1	4537
Rustler No. 2	4537
Rambler	239
Little Rosa	301

(The above claims are referred to herein as the "Patented Claims").

<u>Claim Name</u>	<u>Book</u>	<u>Page</u>
F-1	34 O.R.	528
F-2	34 O.R.	508-509
F-3	34 O.R.	529
F-4	34 O.R.	510-511
F-5	34 O.R.	530
F-6	34 O.R.	512-513
F-7	34 O.R.	531
F-8	34 O.R.	514-515
F-9	34 O.R.	532
F-10	34 O.R.	516-517
F-11	34 O.R.	533

F-12	34 O.R.	518-519
F-13	34 O.R.	534
F-14	34 O.R.	520-521
F-15	34 O.R.	535
F-16	34 O.R.	522-523
F-17	34 O.R.	536
F-18	34 O.R.	524-525
F-19	34 O.R.	537
F-20	34 O.R.	526-527
F-21	34 O.R.	491
F-22	34 O.R.	501
F-23	34 O.R.	492
F-24	34 O.R.	502
F-25	34 O.R.	493
F-26	34 O.R.	503
F-27	34 O.R.	494
F-28	34 O.R.	504
F-29	34 O.R.	495
F-30	34 O.R.	496
F-31	34 O.R.	497
F-32	34 O.R.	498
F-33	34 O.R.	499
F-34	34 O.R.	500
F-91	71 O.R.	405
F-92	71 O.R.	406
F-93	71 O.R.	407
F-94	71 O.R.	408
F-95	71 O.R.	409
F-96	71 O.R.	410
F-97	35 O.R.	306
F-98	35 O.R.	307
F-102	35 O.R.	308
F-104	35 O.R.	309
F-106	35 O.R.	310
F-108	35 O.R.	311
F-110	35 O.R.	312
F-112	35 O.R.	313
F-118	35 O.R.	315
F-120	35 O.R.	316
F-122	35 O.R.	317
F-124	35 O.R.	318
F-126	35 O.R.	319
F-128	35 O.R.	320
F-130	34 O.R.	507
F-198	35 O.R.	314
W-3	26 O.R.	105-106
W-1	26 O.R.	101-102
W-2	26 O.R.	103-104
W-4	26 O.R.	107-108
W-5	26 O.R.	109-110
W-7	26 O.R.	111-112
W-8	26 O.R.	113-114
W-11	43 O.R.	077
W-12	26 O.R.	115-116
W-13	26 O.R.	117-118
W-17	26 O.R.	119-120
W-19	43 O.R.	078
W-20	33 O.R.	105
W-21	33 O.R.	106
W-22	33 O.R.	107
W-23	33 O.R.	108
W-24	33 O.R.	109
W-25	33 O.R.	110
W-26	33 O.R.	111

W-27	33 O.R.	112
W-30	43 O.R.	079
W-31	43 O.R.	080
W-32	43 O.R.	081
W-33	43 O.R.	082
W-34	43 O.R.	083
Gold	K-O.D.M.L.	100
Gold No. 1	K-O.D.M.L.	101
Summit	25 O.R.	300
Red Iron	25 O.R.	302
Johnnie	25 O.R.	301
Sadie Nos. 1 to 8	47 O.R.	78-85
H 1 to 7	71 O.R.	398-404
Rambler No. 1	H-O.D.M.L.	328
Rambler No. 2	H-O.D.M.L.	329
Gossan	J-O.D.M.L.	268
Doe Run No. 1	35 O.R.	322
Doe Run No. 2	35 O.R.	323
Pearl	H-M.L.	261
Nellie	H-M.L.	262
New York #1	75 O.R.	29
New York #2	75 O.R.	30
New York #3	75 O.R.	525
HC #1 through #20	77 O.R.	341-360
HC Fraction	77 O.R.	361
IM #1 through #18	77 O.R.	323-340
F #55 through #90		

(The above described claims are referred to herein as the "Unpatented Claims.").

<u>Millsite Name</u>	<u>Book</u>	<u>Page</u>
MS #1 through #5, inclusive	47 O.R.	580-584
MS #6	50 O.R.	004
MS #7, #8	47 O.R.	585, 586
MS #9 through #12, inclusive	50 O.R.	005-008
MS #13	51 O.R.	572
MS #13A	74 O.R.	485

(The MS #13A claim was originally located as MS 13 which was a duplication of a claim of the same named owned by Idaho originally recorded in Book 56 at Page 399 and amended on Sept. 27, 1979 and recorded in Book 74 at Page 485.)

MS #14 through #21	56 O.R.	400-407
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(The above described claims are hereinafter referred to as the "Millsites.")

Together with all improvements and appurtenances located upon or used in connection with the real estate described above and together with all water and water rights, ditches and ditch rights, pipelines and pipeline easements utilized in connection therewith including application for water rights which are described by the Nevada permit number and source of the water rights as follows:

<u>Permit No.</u>	<u>Description</u>
27621	Murray Springs
28690	Mitchell Springs

29525  
29526  
29537

Hoosac Springs  
Gibellini Springs  
Beveridge Spring No. 2

The Patented Mining Claims, Unpatented Mining Claims, Millsite Claims and water rights described above are hereinafter referred to as the "Property."

To have, hold and retain the Property together with all improvements and appurtenances located upon or used in connection with the Property, subject to the terms and provisions of this instrument.

2. Warranty of Mortgagor. The Mortgagor warrants to the Mortgagee that the Mortgagor has full power and lawful right to convey and encumber the Property; that the Property is free from all liens and encumbrances and that the Mortgagor will make such further assurance to perfect the fee simple title in the Mortgagee as may be reasonably required.

3. Payment of Note. If the Mortgagor pays the Note and performs and complies with all of the stipulations, agreements, conditions and provisions of the Note and of this instrument, then this instrument and the lien and estate created by this instrument shall cease and thereafter be null and void.

4. Agreements of Mortgagor. The Mortgagor agrees with the Mortgagee as follows:

(a) To pay all sums payable by virtue of the Note and this instrument promptly when such sums become due.

(b) To pay the taxes, assessments, levies, liabilities, obligations and encumbrances of every nature levied or assessed against the Property. If the same are not promptly paid, the Mortgagee may at any time pay the same without waiving or affecting the option to foreclose or any other rights granted by this

instrument. Every payment so made shall bear interest from the date thereof at the rate of fifteen percent (15%) per annum.

(c) To pay the costs, charges and expenses, including attorneys' fees, reasonably incurred or paid at any time by the Mortgagee because of the failure on the part of the Mortgagor to perform and comply with the provisions and conditions of the Note and this instrument, and every such payment shall bear interest from the date of such payment at the rate of fifteen percent (15%) per annum.

(d) To keep any improvements now or subsequently constructed on the Property insured against damage by fire, windstorm and extended coverage in reputable insurance companies authorized to do business as such in Nevada, in amounts sufficient to prevent the parties in interest from being or becoming co-insurers of any part of the risk, and to cause such policies to contain a provision naming the Mortgagee as insured, as his interests may appear. If the Mortgagor fails to keep the improvements insured in the foregoing manner, the Mortgagee may place and pay such insurance or any part thereof without waiving or affecting the option to foreclose or any other rights granted by this instrument. Every such payment shall bear interest from its date at the rate of fifteen percent (15%) per annum.

(e) Not to commit or allow waste, impairment or deterioration of the Property and not create or allow to be created any liens or charges against the Property,

(other than general ad valorem taxes) which for any reason would be superior to the lien of this Mortgage.

(f) To perform and comply with the stipulations, agreements and conditions in the Note and in this Mortgage.

5. Rights of Mortgagee Upon Default. If Mortgagor defaults in the payment of the indebtedness secured by this Mortgage or in the performance of any obligation required by this instrument, the Mortgagee or the holder of a certificate of purchase shall at once become entitled to the possession, use and enjoyment of the Property, appointment of a Receiver for the Property and to receive the rents and income from the Property. Mortgagee shall be entitled to the rents and income as a matter of right, without regard to the solvency or insolvency of Mortgagor or the then owner of the Property and without regard to the value of the Property as security for payment of the indebtedness due Mortgagee. A Receiver may be appointed by any Court of competent jurisdiction upon ex parte application and without notice (notice being expressly waived by Mortgagor) and all rents and income from the Property shall be applied by the Receiver (subject to the orders of the Court) to the payment of the indebtedness secured by this instrument.

6. Acceleration of Amount Due. If any of the payments under the Note are not paid, or if the provisions and conditions of the Note of this instrument are not fully performed by the Mortgagor, then and in either of those events the aggregate unpaid balance of the Note will become due and payable at the election of Mortgagee as if the aggregate unpaid balance has been originally stipulated to be paid on such day.

7. Miscellaneous. The following additional provisions shall be applicable:

(a) All benefits and obligations contained herein shall accrue to and be binding upon the respective parties hereto and their respective successors or assigns.

(b) The debt this Mortgage secures may be prepaid only as provided in the Note.

(c) Whenever the context of this instrument so requires, reference to the masculine gender shall mean the feminine or neuter gender, as applicable, and the singular shall mean the plural.

This Mortgage was executed by Mortgagor on the day first above written.

WINDFALL VENTURE

By William E. Foster  
William E. Foster,  
General Partner

STATE OF COLORADO )  
COUNTY OF MESA ) ss.

On the 7th day of January, 1980, personally appeared before me William E. Foster, who being by me duly sworn, says that he is a general partner of WINDFALL VENTURE, a general partnership and the said William E. Foster acknowledged to me that said partnership executed the above instrument.

My Commission expires: June 21, 1982

Thyl A. Berry  
Notary Public

RECORDED AT THE REQUEST OF WILLIAM L. WILSON  
on JANUARY 17, 19 80, at 21 mins. part 1 P. M. In  
Book 78 of OFFICIAL RECORDS, page 260-266, RECORDS OF  
EUREKA COUNTY, NEVADA. WILLIS A. DePAOLI Recorder  
File No. 72218 Fee \$ 9.00

72218

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BOOK 78 PAGE 266