

1216-3

DEED OF TRUST AND SECURITY AGREEMENT

THIS DEED OF TRUST AND SECURITY AGREEMENT ("Deed of Trust") is made this 15 day of August, 1988, between The 25 Ranch Venture, a venture consisting of Echo Bay Exploration Inc., a Delaware corporation, and Western States Minerals Corporation, a Utah corporation, as all of its venturers, (Trustor), whose address is 370 Seventeenth Street, Suite 4050, Denver, Colorado 80202, Frontier Title Company (Trustee), whose address is 445 5th Street, P.O. Box 228, Elko, Nevada 89801, and Marvel Minerals, a Nevada partnership (Beneficiary), whose address is P.O. Box 1285, Elko, Nevada 89801.

Trustor hereby grants, conveys, and confirms to Trustee, in trust with power of sale, the real property situate in Elko, Eureka, Humboldt, and Lander Counties more particularly described as follows:

- (1) the term nonexecutive interest granted by the Deed Granting Term Nonexecutive Interest--The 25 Ranch dated January 26, 1986 and recorded February 28, 1986 in the records of Elko County at Book 517, Page 340, recorded March 21, 1986 in the records of Eureka County, Nevada at Book 143, Page 97, recorded March 26, 1986 in the records of Lander County, Nevada at Book 265, Page 421, and recorded April 3, 1986 in the records of Humboldt County, Nevada at Book 212, Page 531, and
- (2) the term royalty interest granted by the Deed Granting Term Royalty Interest--Lakes Mine dated January 26, 1986 and recorded February 28, 1986 in the records of Elko County at Book 517, Page 333 except to the extent that the term royalty interest is attributable to barite

Together with all and singular the tenements, hereditaments, and appurtenances thereunto belonging or in anywise appertaining, and the reversions, remainders, rents, issues, and profits thereof and also all the estate, right, title, and interest, homestead or other claim or demand, as well in law as in equity, which Trustor now has or may hereafter acquire of, in, and to the premises or any part thereof, with appurtenances.

TO HAVE AND TO HOLD the same unto Trustee and its successors, on the trusts hereinafter expressed, namely, a security for the payment of that certain promissory note of even date herewith in the sum of Four Hundred Eighty Thousand Dollars (\$480,000.00).

This Deed of Trust is intended as security for the payment and performance of every obligation, covenant, promise, or

See BK - 242 pg. 522 for
Sub of Trustee under Deed of Trust
See BK 242 pg. 523 for Full Reconveyance
See BK. 249 pg. 136 for Notice of Termination

agreement herein or in such promissory note contained, the promissory note being incorporated by reference herein. This Deed of Trust is intended also to serve as a security agreement under the Nevada U.C.C.

The following covenants, Nos. 1; 3; 4 (12%); 5; 6; 7 (reasonable); 8; and 9 of NRS 107.030, are hereby adopted and made a part of this Deed of Trust. In connection with Covenant No. 6, it shall be deemed to include and apply to all conditions, covenants, and agreements contained herein in addition to those adopted by reference, and to any and all defaults or deficiencies in the performance of this Deed of Trust.

If default be made in the performance or payment of the obligations, note or debt secured hereby, or in the performance of any of the terms, conditions, and covenants of the Deed of Trust, or the payment of any sum or obligation to be paid hereunder, or upon the occurrence of any act or event of default hereunder, and such default is not cured within thirty-five (35) days after written notice of default and of election to sell said property given in the manner provided by NRS 107.080 as in effect on the date of this Deed of Trust, Beneficiary may declare all notes, debts, and sums secured hereby or payable hereunder immediately due and payable although the date of maturity has not yet arrived.

Any notices to be given Trustor shall be given by registered or certified mail to Trustor at the address set forth in this Deed of Trust or at such substitute address as Trustor may designate in writing duly delivered to Beneficiary and to Trustee, and such address set forth in this Deed of Trust, or such substitute address as is designated in writing duly served as aforesaid, shall be deemed conclusively to be the correct address of Trustor for all purposes in connection with this Deed of Trust, including, but not limited to, giving of notices permitted or required by statute to be mailed to Trustor.

As additional security, Trustor hereby gives to and confers on Beneficiary the right, power, and authority during the continuance of these trusts, to collect the rents, issues, and profits of the property, reserving unto Trustor the right prior to any default by Trustor in payment of any indebtedness secured hereby, or in the performance of any agreement hereunder, to collect and retain such rents, issues, and profits as may accrue and become payable. If breach or default is made in the prompt payment, when due, of any sum secured hereby, or in the performance of any promise contained herein, then, and at any time thereafter, Beneficiary hereunder may declare all sums secured hereby immediately due and payable, without demand or notice.

Beneficiary may, without notice to or consent of Trustor, extend the time of the payment of any indebtedness secured

hereby to any successor in interest of Trustor without discharging Trustor from liability thereon.

If an action or proceeding is brought to exercise the right of eminent domain on the property or any part thereof, Trustor agrees to pay to Beneficiary all sums received by him as compensation or damages for the condemnation of the property or any part thereof, and such sums shall be applicable to the payment of the indebtedness secured hereby, whether due or not.

All the provisions of this instrument shall inure to and bind the heirs, devisees, legal representatives, successors, and assigns of each party hereto respectively. The rights or remedies granted hereunder or by law shall not be exclusive but shall be concurrent and cumulative.

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

Trustor hereby covenants and agrees to pay all reconveyance fees charged by Trustee at the time of full payment of the indebtedness secured hereby.

IN WITNESS WHEREOF, Trustor has executed the above and foregoing the day and year first above written.

THE 25 RANCH VENTURE

By: Echo Bay Exploration Inc.

By: 

John L. Aslant
Vice President

By: Western States Minerals
Corporation

By: 

Arden B. Morrow
President

STATE OF Colorado)
 City and County of DENVER) ss.

On this 29TH day of July, 1988, personally appeared before me, a Notary Public, John L. Azlant, Vice President of Echo Bay Exploration Inc., a Delaware corporation, who acknowledged that he executed the above instrument on behalf of said corporation and on behalf of The 25 Ranch Venture.

Margaret A. Bates
 Notary Public

My Commission Expires:

5/20/91
 [SEAL]



STATE OF Colorado)
 City and County of DENVER) ss.

On this 25TH day of July, 1988, personally appeared before me, a Notary Public, Arden B. Morrow, President of Western States Minerals Corporation, a Utah corporation, who acknowledged that he executed the above instrument on behalf of said corporation and on behalf of The 25 Ranch Venture.

Arden B. Morrow
 Notary Public

My Commission Expires:

November 30, 1989
 [SEAL]



INDEXED

FEE \$8.00 FILE # 258752
 FILED FOR RECORD
 AT REQUEST OF
Marcel & Hansen
 '88 AUG -1 P3:34

RECORDED 5632 517
 JERRY C. HENTZOLD
 ELKO CO. RECORDER

258752

BOOK 184 PAGE 433

BOOK 632 PAGE 520
 070688

BOOK 261 PAGE 78 FRAME 5

BOOK 317 PAGE 603

RECORDED AT THE REQUEST OF

BOOK 184 PAGE 430

Marvel & Hansen

'88 SEP 20 P2:11

OFFICIAL RECORDS
EUREKA COUNTY, NEVADA
M.M. REBALEATI, RECORDER

FILE NO. FEE \$ 10.00
121693

OFFICIAL RECORDS
HUMBOLDT CO., NV.
RECORD REQUESTED BY:

Marvel & Hansen

ES AUG 30 P1:34

155019

261 78
EVIDENCE
RECORDED IN

FILE NO. 100

295336

OFFICIAL RECORDS
LANDER COUNTY
RECORD REQUESTED BY

Marvel & Hansen

ES AUG 18 P1:08
RECORDED

FEE 9.00 BOOK 184 PAGE 430