

RPTT: Elko \$280.80
RPTT: Eureka \$68.90

166270

**RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:**

United Title of Nevada
201 W. Liberty Street
Reno, NV 89501

Attention: Darlene

Escrow No.: 97104005-LB-DS
APN: 050-030-03 / 05-030-04
APN No(s): 05-030-05 / 05-040-06 / 04-390-15

GRANTEE'S ADDRESS FOR TAX BILLS:

Julian Tomera Ranches, Inc.
HC 65-11
Carlin, NV 89822
Attention: M&M Tomera

(Space above line for Recorder's use)

GRANT BARGAIN AND SALE DEED

NEVADA LAND & RESOURCE COMPANY, LLC, a Delaware limited liability company, as "Grantor," does hereby Grant, Bargain, Sell and Convey to Julian Tomera Ranches, Inc., Stone House Division, a Nevada Corporation, as "Grantee," the real property in the Counties of Elko and Eureka, State of Nevada (hereinafter referred to as the "Property") described on Attachment "A" attached hereto and incorporated herein by this reference.

TOGETHER WITH the improvements, Tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, the reversion and reversions, remainder and remainders, rents, issues and profits thereof.

SUBJECT TO:

1. General and special taxes and assessments for the current fiscal tax year and any and all unpaid bonds and/or assessments; and

2. All covenants, conditions, restrictions, reservations, rights, right-of-way and easements recorded against the Property and all other matters of record, except as to terms and conditions of unrecorded documents, even if a memorandum of such document was recorded, or apparent from a visual inspection of the Property and all matters which an accurate survey of the Property would disclose.

EXCEPTING AND RESERVING unto Grantor, as a mineral interest and not as a royalty interest, all Minerals (as defined below) of every kind or character, in, under, or that may be extracted from, the Property hereby conveyed to Grantee, for the purposes of exploring for, developing, mining, recovering, processing, transporting, milling, storing, stockpiling and otherwise using, enjoying and exploiting Minerals (collectively the "Minerals Activities"). As used herein, "Minerals" shall include without limitation substances containing gold, silver, platinum and all other precious metals; iron, cobalt, copper, lead, zinc, nickel, chromium, aluminum, mercury, cadmium and all other base metals; oil, natural gas, casinghead gas, condensates and associated hydrocarbons; sulfur produced in association with hydrocarbons; geothermal brines, solutions, materials and other geothermal resources; helium; carbon dioxide; industrial-grade silicates, aluminates and carbonates; uranium, vanadium, thorium, and all other fissionable elements; coal, lignite; all other metallic or inorganic minerals, regardless of whether presently known to science or industry, now known to exist or hereafter discovered upon, within or underlying the surface of the Property, regardless of depth.

Grantor covenants and agrees, for the benefit of the Property and with the intention that such covenant run with the Property, to compensate the owner (the "Owner") of the surface estate of the Property for such portion thereof as may be taken, damaged, consumed, depleted or destroyed or such portion which are adversely affected, diminished in value or rendered unusable for their highest and best use, (collectively, a "Claim") by exercise of the rights reserved by Grantor, such compensation to be an amount equal to the diminution of the fair market value of surface estate so taken, adversely affected, damaged, consumed, depleted or destroyed.

In the event of any Claim, the Owner of the Property and the person or entity conducting the Minerals Activities (referred to herein as the "Responsible Party") shall attempt in good faith to reach an agreement as to the amount of compensation for such claim. If the parties are unable to reach an agreement within sixty (60) days after notice of the Claim from the Owner, the amount of compensation shall be determined by binding arbitration by a single arbitrator conducted in accordance with Nevada law and the Commercial Rules of the American Arbitration Association. Either party may commence the arbitration. Within ten (10) days after the selection of an arbitrator, the Responsible Party shall submit the amount it proposes to pay for the Claim, and the Owner shall submit the amount it requests for the Claim, to the arbitrator in a sealed envelope, which shall not be opened or examined by the arbitrator until the conclusion of the arbitration. The amounts submitted by the parties as provided in the preceding sentence are referred to herein as the "Settlement Amounts". In any such arbitration each party shall be entitled to discovery of the other party as provided by the Nevada Rules of Civil Procedure, provided, however, any such discovery shall be completed within four (4) months from the date of the response to the demand for arbitration filed with the American Arbitration Association, unless such period is extended by agreement of the parties. The arbitrator shall apply Nevada substantive and evidentiary law to the arbitration. Punitive or exemplary damages shall not be awarded. The arbitrator shall prepare in writing and provide to the parties an award including factual findings and reasons on which the decision is based. The decision of the arbitrator shall be final and binding on the parties and judgment thereon may be entered by any court having jurisdiction. Upon determination of the amount of compensation, the arbitrator shall examine the Settlement Amounts. If the arbitrator's award is closer to the Settlement Amount proposed by the Responsible Party, then the Owner shall pay all of the costs of the arbitration and if it is closer to the Settlement Amount proposed by the Owner, then the Responsible Party shall pay all of the costs of the arbitration. If the award of the arbitrator is equally between the two amounts, then the costs of arbitration shall be paid equally by the parties.

FURTHER EXCEPTING AND RESERVING unto Grantor an easement for ingress and egress over the surface estate for the purpose of conducting Grantor's Minerals Activities on the Property. Prior to exercise of the use of such easement, Grantor shall, in good faith, meet with the Owner for the purpose of agreeing on the route alignment and type of access which will cause the least disturbance to the Owner's land and /or operations and at the same time permit the access and uses contemplated by the Minerals Activities.

Grantor understands the interference with, or destruction of natural water courses, drainages or springs can cause serious, perhaps irreparable harm to the surface estate and/or Owner's operations, and it is in the interests of both parties to minimize such effects. In the event that the parties are unable to agree on a particular access or surface use reasonably related to the Minerals Activities, either Party may submit the issue to arbitration subject to the same rules and conditions set forth above for arbitration of the issue of value of damaged surface.

1. Easement Runs with the Land. The burden of the easement granted hereby runs with the Property and is applicable to and binding on Grantee. The benefit of the easement granted hereby runs with the Benefitted Property and can be used by, and in favor of, and is binding on Grantor; subject to the obligations of the Parties set forth above in this document.

2. Royalty Rights. In the event Grantor mines any Minerals from the Property pursuant to the Reservation described above, Grantor shall pay to Grantee a production royalty (the "Royalty") of one-half percent (0.5%) of the NSR, as hereinafter defined, (applicable to smeltable minerals) upon all minerals or resources produced, sold and shipped from the Property, on the following terms and conditions:

(a) NSR Defined. As used herein, NSR shall mean the amount actually received from the mint, smelter or refinery by Grantor, after deducting seigniorage, treatment costs and/or penalties deducted by the mint, smelter or refinery, and as shown on the regular returns and, in addition, there shall also be deducted the cost of insurance, hauling and transportation from the Property to the smelter and/or refinery where shipped. If the minerals shall be finally treated, smelted or refined by or for Grantor, and not sold, NSR shall mean the amount which would have been received by Grantor from a bona fide purchaser of such Minerals without further treatment, smelting or refining, less penalties, assaying, sampling and smelting charges and less transportation from mill to refinery and insurance charges, in an amount no greater than those charged by custom mills, or smelter for comparable services. If Minerals are produced from the Property which do not require smelting or further processing, the Royalty will be based on the value of the Minerals shipped from the Property.

(b) First Marketable Products. If the Minerals produced from the Property are not sold in an arms-length transaction or are consumed by Grantor, the royalty will be based on the value of the "First Marketable Product(s)". As used herein, "First Marketable Product(s)" shall mean the product or group of essentially the same products produced with non-mining processes in the form first marketed in significant quantities by Grantor or by other integrated miners in Grantor's marketing area. The value of the Minerals will be determined under the provisions of Treasury Regulations Section 1.613-4(c). If the information is not available to determine the value of the Minerals under this method, then the value will be determined under the applicable section of Treasury Regulations Section 1.613-4(d).

(c) Payment. Payment of the Royalty to Grantee shall be made by Grantor within sixty (60) days after the end of the calendar quarter in which mint, smelter or refinery returns are received by Grantor, and shall be accompanied by a copy of the mint, smelter or refinery returns pertaining to such shipment or when the Minerals are shipped from the Property.

IN WITNESS WHEREOF, Grantor has executed this document on the date set forth below.

Dated as of February 24, 1997.

NEVADA LAND & RESOURCE COMPANY, LLC,
a Delaware limited liability company

By: *Jeff David*
Name: Jeff David
Its: President

STATE OF NEVADA

COUNTY OF WASHOE

This instrument was acknowledged before me on February 24, 1997 by Jeff David.



Diane M. Bigby
Diane M. Bigby

(Notary Seal)

ATTACHMENT "A"
TO GBS DEED

LEGAL DESCRIPTION OF THE PROPERTY

Township 32 North, Range 52 East, MDB&M.

Section 3: All
Section 31: Lots 3-14 Inclusive

Township 30 North, Range 52 East, MDB&M.

Section 27: NE4
Section 23: SW4
Section 15: All

Township 31 North, Range 52 East, MDB&M.

Section 27: All

Exhibit A

PARCEL 1:

All of Section 15, Township 30 North, Range 52 East. Said parcel being further described as Parcel No. 05-030-03.

PARCEL 2:

The Southwest Quarter (SW 1/4) of Section 23, Township 30 North, Range 52 East. Said parcel being further described as Parcel No. 05-030-04.

PARCEL 3:

The Northeast Quarter (NE 1/4) of Section 27, Township 30 North, Range 52 East. Said parcel being further described as Parcel No. 05-030-05.

PARCEL 4:

All of Section 27, Township 31 North, Range 52 East. Said parcel being further described as Parcel No. 05-040-06.

PARCEL 5:

All of Section 3, Township 32 North, Range 52 East. Said parcel being further described as Parcel No. 05-050-01.

PARCEL 6:

Lots 3 through 14, Township 32 North, Range 52 East. Said parcel being further described as Parcel No. 04-390-15.

BOOK 306 PAGE 142
OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
United Title
97 FEB 28 PM 12:59

EUREKA COUNTY NEVADA
M.N. REBALEATI, RECORDER
FILE NO. FEES 14.00

DECLARATION OF VALUE

Instrument # 166270

Eureka County

Full Value of Property Interest Conveyed

\$ 52,603.65

Less Assumed Liens & Encumbrances

- 0

Taxable Value (NRS 375.010)

\$ 52,603.65

Real Property Transfer Tax Due

\$ 68.90

If exempt, state reason. NRS 375.090, Section _____ Explain:

INDIVIDUAL

Under penalty of perjury, I hereby declare that the above statements are correct.

Signature of Declarant

Name (Please Print)

Address

City

State

Zip

ESCROW HOLDER

Under penalty of perjury, I hereby declare that the above statements are correct to the best of my knowledge based upon the information available to me in the documents contained in the escrow file.

Signature of Declarant

Name (Please Print)

Escrow Number

Firm Name

Address

City

State

Zip