

ASSIGNMENT OF PROMISSORY NOTE

THIS ASSIGNMENT is made this ____ day of October, 1986, by and between ALHAMBRA MINES, INC., a Delaware corporation (hereinafter referred to as "Alhambra"), and D. L. DAVIS ASSOCIATES (hereinafter referred to as "Davis").

W I T N E S S E T H:

WHEREAS, Alhambra is the sublessee of certain patented and unpatented mining claims located within the Flowery Mining District, Storey County, Nevada, pursuant to certain assignments and subleases of that Lease and Option Agreement dated July 23, 1979, by and between D. L. Davis Associates and Anaconda Copper Company, which Agreement is by this reference specifically incorporated herein and made a part hereof; and

WHEREAS, one of the properties subleased to Alhambra pursuant to said Agreement is a fifty percent (50%) interest in the Gold Stringer unpatented lode mining claim; and

WHEREAS, Alhambra has recently acquired the other fifty percent (50%) interest in said mining claim from Marion A. Gladding and Earl N. Andreassen by paying Ten Thousand Dollars (\$10,000.00) down and signing a Promissory Note for two (2) annual payments of Five Thousand Dollars (\$5,000.00); and

WHEREAS, Davis now desires to acquire said fifty percent (50%) interest in the Gold Stringer claim, assume the obligation under the Promissory Note payable to Marion A. Gladding and Earl N. Andreasen and lease to Alhambra said fifty percent (50%) interest upon the same terms and conditions as contained in the July 23, 1979 Agreement referenced above.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

1. Concurrent with the execution of this Agreement, Davis shall deliver to Alhambra its check in the amount of Ten Thousand Dollars (\$10,000.00).

2. Concurrent with the execution of this Agreement, Alhambra shall quitclaim to Davis all of its interest in the Gold Stringer claim in the form of that Quitclaim Deed attached hereto as Exhibit "A" and by this reference made a part hereof.

3. Alhambra hereby assigns to Davis, and Davis hereby assumes all obligations of Alhambra as Maker under that certain Promissory Note in the principal amount of Ten Thousand Dollars (\$10,000.00) dated October __, 1986, in favor of Marion A. Gladding and Earl N. Andreasen, which Promissory Note is attached hereto as Exhibit "B" and by this reference made a part hereof. Davis hereby covenants and agrees to make all payments to the

Payee under said Promissory Note in accordance with its terms. In the event that Davis fails to make any such payments as required therein, Davis shall hold harmless and indemnify Alhambra from any and all claims, demands, causes of action, expenses or liabilities, including reasonable attorneys' fees, which Alhambra may incur as a result of the Payee proceeding against Alhambra to enforce the provisions of said Note.

4. Davis hereby grants to Alhambra the lease and exclusive possession of its fifty percent (50%) interest in the Gold Stringer unpatented lode mining claim on the same terms and conditions as are contained in the July 23, 1979 Lease and Option Agreement between D. L. Davis Associates and Anaconda Copper Company.

5. In the event that either party brings any action to enforce the provisions of this Agreement, the prevailing party shall be entitled to its reasonable costs and attorneys' fees.

6. This Agreement shall inure to the benefit of, and be binding upon, the heirs, assigns, transferees, personal representatives and successors in interest, in any capacity, of the parties hereto.

7. This Agreement shall be governed by the laws of the State of Nevada and the venue for any action brought by any party hereto which concerns this Agreement or the relationship

between the parties arising herefrom shall be Washoe County,
Nevada.

IN WITNESS WHEREOF the parties hereto have executed
this ASSIGNMENT OF PROMISSORY NOTE as of the day and year first
above written.

"ALHAMBRA"

ALHAMBRA MINES, INC., a Delaware
corporation

By *Frank G. Dubois*
Its *President*

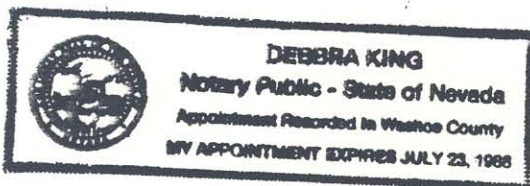
"DAVIS"

D. L. DAVIS ASSOCIATES

By *Dudley L. Davis*
Dudley L. Davis, President

STATE OF NEVADA)
 : ss.
COUNTY OF WASHOE)

On this _____ day of October, 1986, personally appeared before me, a Notary Public, Francis E. Du Bois, known to me to be the President of ALHAMBRA MINES, INC., a Delaware corporation, who, being authorized so to do, acknowledged that he executed the foregoing instrument on behalf of said corporation.



Debra King
NOTARY PUBLIC

STATE OF Nevada)
 : ss.
COUNTY OF Washoe)

On this _____ day of October, 1986, personally appeared before me, a Notary Public, Dudley L. Davis, known to me to be the President of D. L. DAVIS ASSOCIATES, who, being authorized so to do, acknowledged that he executed the foregoing instrument on behalf of said entity.



Debra King
NOTARY PUBLIC

QUITCLAIM DEED

THIS INDENTURE is made this ____ day of October, 1986,
by and between ALHAMBRA MINES, INC., a Delaware corporation,
Grantor; and D.L. DAVIS & ASSOCIATES, Grantee.

W I T N E S S E T H:

WHEREAS, Grantor, for and in consideration of the sum
of Ten Dollars (\$10.00), lawful money of the United States, to it
in hand paid by the Grantee, the receipt of which is hereby
acknowledged, does hereby GRANT, RELEASE, and FOREVER QUITCLAIM
unto the Grantee, and to its successors and assigns forever, all
the right, title and interest which the Grantor has or may
hereafter acquire in that certain unpatented mining claim situate
in the County of Storey, State of Nevada, and more particularly
described as follows:

The Gold Stringer claim, located within Section 23,
Township 17 North, Range 22 East, M.D.B.&M., and filed
for record at the Bureau of Land Management as
NMC #115095.

TOGETHER WITH all minerals and all veins and lodes of
mineral-bearing rock therein and all dips, spurs and angles
thereof.

TOGETHER WITH the appurtenances and all rents, issues
and profits thereof, and all right, title and interest of the
Grantor therein or thereto, or which it may hereafter acquire.

TO HAVE AND TO HOLD the said premises, together with the appurtenances, unto the Grantee, its successors and assigns forever.

IN WITNESS WHEREOF, Grantor has executed these presents the day and year first above written.

"GRANTOR"

ALHAMBRA MINES, INC., a Delaware corporation

By Frank E. DuRoi
Its President

STATE OF NEVADA)
 : ss.
COUNTY OF WASHOE)

On this _____ day of October, 1986, personally appeared before me, a Notary Public, Francis E. DuRoi, known to me to be the President of ALHAMBRA MINES, INC., a Delaware corporation, who, being authorized so to do, acknowledged that he executed the foregoing instrument on behalf of said corporation.

Debra King
NOTARY PUBLIC

