

REAL ESTATE MORTGAGE

THIS INDENTURE, Made this 17th day of March, 1969, between JAY R. FOWLES and LORAIN M. FOWLES, husband and wife, of Shoshone, County of Lincoln, State of Idaho, the parties of the first part, and VANNESS ANDERSON, whose wife's name is Verda Anderson, of Burley, County of Cassia, State of Idaho, the party of the second part,

W I T N E S S E T " :

That the parties of the first part, for and in consideration of the sum of TWENTY THOUSAND & No/100 DOLLARS (\$20,000.00), lawful money of the United States of America, the receipt whereof is hereby acknowledged, have granted, bargained, sold and conveyed, and by these presents do grant, bargain, sell, convey and confirm unto the said party of the second part, and to his successors and assigns forever, all that certain real property situated and being in the County of Eureka, State of Nevada, to-wit:

Section Thirty-two (32), Township Twenty-three (23)
North, Range Fifty-four (54) E., Mount Diablo Base
and Meridian;

together with all irrigation wells, pumps and equipment situated on the said premises which includes, but is not exclusive to, two deep-well irrigation pumps and two GMC diesel motors which operate said pumps, and irrigation system consisting of sprinkler system as follows: 1½ miles of 6" mainline; four 1/4-mile lengths of 3" hand line, together with all sprinkler heads, valves, and other various parts of such sprinkler system.

WHEREAS, the loan above mentioned is made upon the faith of the income from the property, equally with the property itself, the mortgagor hereby assigns, transfers and pledges to the mortgagee the possession, rents, issues and profits of the property above described as security for the payment of the note hereinabove mentioned, and constitutes and appoints the mortgagee the agent of the mortgagor to collect such rents, issues and profits, expend such portion thereof for the maintenance, repair and operation of said property as in his sole discretion or judgment he may deem necessary or proper, and apply the balance, less reasonable costs of collection, upon the indebtedness hereby secured until all delinquent payments have been met, and in case it becomes necessary, he shall have the right to have a receiver appointed to collect and apply such rents; non-enforcement of this clause by the mortgagee during any period shall not be a waiver thereof.

TOGETHER with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and all estate, right, title and interest of the said parties of the first part in and to the above-described property.

This grant is intended as a mortgage to secure the payment of one certain promissory note dated March 13, 1969, made, executed and delivered by the parties of the first part to the party of the second part, a copy of which is hereto attached. The note provides that in case any of the instalments

of interest or principal be not paid as therein specified, then at the option of the holder thereof, the whole sum of both principal and interest shall become immediately due and collectible, and further provides that in case the said note or any portion thereof be collected by an attorney, either with or without suit, the makers agree to pay, besides costs and disbursements allowed by law, such additional sum as shall be reasonable as an attorney's fee.

The parties of the first part do hereby covenant and agree by and with the party of the second part, that they are the owners in fee simple of the above-described real estate; that they will pay all taxes, levies and assessments, including special improvement assessments, that are taxed, levied or assessed against said premises, promptly, as the same shall become due and payable and before the same or any part thereof should become delinquent; and upon demand, will deliver to the party of the second part receipts showing the payment thereof; that they will pay all charges or assessments for fuel used in the diesel motors for the production of water and shall keep the said pumps and motors in good condition and running order; that they will not commit nor permit to be committed upon the said premises any waste or strip.

That in the event of foreclosure of this mortgage by the party of the second part, his heirs, successors or assigns, then in such event, the parties of the first part shall pay all costs and expenses of suit, including a reasonable attorney's fee and the cost of title search and/or title insurance policy. In the event that the said parties of the first part shall fail, refuse

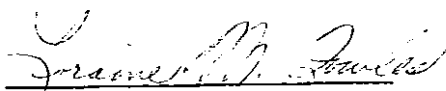
or neglect to pay the taxes, levies and assessments, or the charges or assessments for fuel used in the diesel motors for the production of water, or fail to keep the said pumps and motors in good condition and running order, then in such event, the party of the second part shall have the right to pay the same and such payments so made by the party of the second part shall draw interest from the date of payment until paid at the rate of 10% per annum, and such payments, together with interest thereon from the date of such payments at the rate of 10% per annum shall be secured by the terms and conditions of this mortgage and the failure of the parties of the first part to pay the same in the first instance shall also constitute a default under this mortgage and the party of the second part may immediately foreclose the same because of such default.

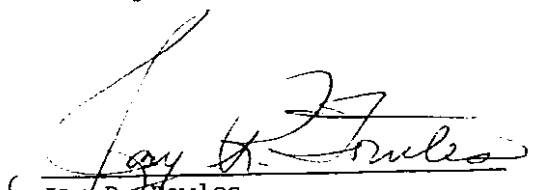
And these presents shall be void if such payments shall be made. But in case default shall be made in the payment of the principal sums of money, or any part thereof, as provided in said note, or if the interest be not paid as therein specified, or if said parties of the first part shall fail to make any payment of taxes, levies or assessments, taxed, levied or assessed against said premises as herein provided, or if said party of the second part shall at any time deem himself insecure, it shall be optional with the said party of the second part, his heirs, successors or assigns, to consider the whole of said principal sum expressed in said note, together with the interest

thereon, as immediately due and payable, and immediately to enter into and upon all and singular the above-described premises and to sell and dispose of the same, according to law, and out of the money arising from such sale, to retain the principal and interest which shall then be due on said promissory note, together with the costs of foreclosure suit, including a reasonable attorney's fee, and the cost and expense of procuring an abstract of title to said premises, and also the amount of all payments of taxes, levies and assessments, including special improvement assessments, as may have been made by the said party of the second part, his heirs, successors and assigns, together with interest thereon from the date of such payments until paid at the rate of 10% per annum, rendering the overplus of the purchase money, if any there shall be, unto the said parties of the first part, their heirs, successors and assigns.

IT IS HEREBY SPECIFICALLY AGREED by the parties of the first part that the laws of the State of Nevada shall be applicable to each and every phase of the transaction between the parties of the first part and the party of the second part which concern the issuance of the hereinbefore-mentioned promissory note and this mortgage; and in the event of a foreclosure of said mortgage, the laws of the State of Nevada shall apply.

IN WITNESS WHEREOF, the parties of the first part have hereunto set their hands and seals the day and year first above written.


Lorraine M. Fowles


Jay R. Fowles

STATE OF IDAHO)
) ss.
County of LINCOLN)

On this 17th day of March, 1969, before me, the undersigned Notary Public in and for said state, personally appeared JAY R. FOWLES and LORAIN M. FOWLES, husband and wife, known to me to be the persons whose names are subscribed to the within and foregoing instrument, and acknowledged to me that they executed the same.

(seal)



Kenneth L. Blackburn
Notary Public
Residing at Shoshone, Idaho

COPY

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COPY

PROMISSORY NOTE

\$20,000.00

Eureka, Nevada
March 13, 1969

FOR VALUE RECEIVED, the undersigned promise to pay to the order of VANNESS ANDERSON at Burley, Idaho, TWENTY THOUSAND & NO/100 DOLLARS (\$20,000.00), in lawful money of the United States of America, with interest thereon in like lawful money at the rate of ten percent (10%) per annum from date until paid, payable in two instalments of \$10,000.00 each, plus interest; the first instalment to be paid on the 13th day of March, 1970 and the second instalment to be paid on the 13th day of March, 1971. If either of said instalments is not so paid, the whole sum of both principal and interest to become immediately due and collectible at the option of the holder of this note.

In case suit or action is instituted to collect this note, or any portion thereof, the undersigned promise to pay such additional sum as the courts may adjudge reasonable as attorney fees in said suit or action.

The makers hereof reserve the right to prepay any instalment due hereunder, or to pay the entire balance, at any time, in advance.

JAY R. FOWLES

Jay R. Fowles

LORAIN M. FOWLES

Loraine M. Fowles

RECORDED AT THE REQUEST OF Church, Church & Snow
on April 18 1969 at 49 mins. past 10 A. M. in
Book 28 of OFFICIAL RECORDS, page 408-414, RECORDS OF
EUREKA COUNTY, NEVADA. FILED Recorder.
File No. 49032 Fee \$ 9.00

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