

\$184,258.85

December 14th, 1977.

FOR VALUE RECEIVED, the Undersigned promises to pay to the order of L. KENNETH COUNTRYMAN, RAY L. DAWLEY, ALICE B. HUNNICUTT, WILLIAM H. JAMES, JUNE JOHNSON KELLOGG, Individually and as Executrix of the Estate of THOMAS O. JOHNSON, ROY D. MILLER, JOHN B. TROWBRIDGE and PRITCHARD H. WHITE, the sum of ONE HUNDRED EIGHTY-FOUR THOUSAND TWO HUNDRED FIFTY-EIGHT and 85/100 DOLLARS (\$184,258.85), together with interest thereon at the rate of eight and one-half per cent (8½) per annum on the declining balance from date hereof until paid, all in the manner following, to-wit:

\$19,470.81, on or before December 1, 1978, and a like sum on or before December 1, 1979. Said annual payments shall be applied first to accrued interest to date thereof and the remainder upon principal.

\$9,650.24, on or before June 1, 1980, and a like sum on or before every December 1st and June 1st thereafter until such time as the principal and interest have been paid in full; provided however, that the entire principal and interest balance must be paid in full by December 1, 1992.

After January 1, 1978, the Maker may, at his option, increase the amount of said principal payments, make additional payments, or pay the entire unpaid principal, with accrued interest, in full at any time. Said additional payments shall be applied first to accrued interest to date of payment and the remainder upon the principal. Said additional payments shall not be cumulative payments, but the Maker shall in all events, pay the foregoing payments with accrued interest as herein provided.

All of said Promissory Note payments shall be paid to the Trust Account of John B. Trowbridge.

The Maker and endorsers waive demand, diligence, presentment, protest and notice of protest and non-payment.

In the event of default in the payment of any sum of principal or interest, or both, due hereunder, according to the terms and tenor hereof, and if such default lasts for a period of thirty (30) days, the holder or holders may, at their option, declare the entire amount of principal and interest due and payable.

In case of default in the payment, or if suit be commenced for the collection of any part of the principal or interest due hereunder, the Undersigned promises and agrees to pay a reasonable attorney fee incurred, together with all costs.

This Note is secured by a Second Deed of Trust of even date herewith.

DuWAYNE H. NELSON
DuWAYNE H. NELSON

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NOW, THEREFORE, the said Grantor, for the purpose of securing the payment of said Promissory Note, and also the payment of all monies herein agreed or provided to be paid by DuWAYNE H. NELSON, or which may be paid out or advanced by the said Beneficiaries or Trustee under the provisions of this instrument, with interest in each case, does hereby grant, bargain, sell, convey and confirm unto the said Trustee all of the right, title and interest, claim and demand, as well in law as in equity, which the said Grantor may now have or may hereafter acquire of, in or to the following described real property situate in the County of Eureka, State of Nevada, more particularly described as follows:

Township 23 North, Range 52 East, MDB&M

Section 11: NE $\frac{1}{4}$ NE $\frac{1}{4}$; SW $\frac{1}{4}$ NE $\frac{1}{4}$
12: S $\frac{1}{2}$ SW $\frac{1}{4}$
13: E $\frac{1}{2}$ NW $\frac{1}{4}$; SW $\frac{1}{4}$ NW $\frac{1}{4}$
24: E $\frac{1}{2}$; E $\frac{1}{4}$ W $\frac{1}{2}$
25: NE $\frac{1}{4}$; E $\frac{1}{2}$ NW $\frac{1}{4}$
36: NE $\frac{1}{4}$ NE $\frac{1}{4}$; W $\frac{1}{2}$ NW $\frac{1}{4}$; NE $\frac{1}{4}$ NW $\frac{1}{4}$;
an undivided one-half interest in
and to the SW $\frac{1}{4}$ NE $\frac{1}{4}$; SE $\frac{1}{4}$ NW $\frac{1}{4}$

Township 23 North, Range 53 East, MDB&M

Section 19: Lots 1, 2, 3 and 4
30: Lots 1 and 2

TOGETHER WITH any and all improvements situate thereon, or which may be placed thereon during the life of this Deed of Trust.

TOGETHER WITH all waters, water rights, rights to the use of water, dams, ditches, canals, pipe lines, reservoirs, and all other means for the diversion or use of waters appurtenant to the said property, or any part thereof, or used or enjoyed in connection therewith, and together with all stockwatering rights used or enjoyed in connection with the use of any of said lands, and together with all range rights and grazing rights.

TOGETHER WITH all of Grantor's right, title and interest in and to any and all oil, gas and mineral rights in, under or upon any of the above described lands.

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

TO HAVE AND TO HOLD the said premises, together with the appurtenances, unto the said Trustee, and to its successors and assigns, for the uses and purposes herein mentioned.

The following covenants, Nos. 1, 2 (\$ NONE), 3, 4 (8½%), 5, 6, 7 (5%), 8 and 9 of NRS 107.030, are hereby adopted and made a part of this Deed of Trust.

This Deed of Trust also secures payment for further sums and the promissory notes evidencing the same, together with interest as shall be provided for therein, as may hereafter be loaned or advanced by Beneficiaries to the Grantor or DuWayne H. Nelson

Said Grantor, in consideration of the premises, hereby covenants and agrees that neither the acceptance nor existence, now or hereafter, of other security for the indebtedness secured hereby, nor the release thereof, shall operate as a waiver of the security of this Deed of Trust, nor shall this Deed of Trust, nor its satisfaction nor a reconveyance made thereunder, operate as a waiver of any such other security now held or hereafter acquired.

Said Grantor hereby covenants and agrees that it will operate the ranch premises according to dictates of good husbandry, as defined by ranch practice in the area in which the ranch is located; that it will apply the water rights to beneficial use, all to the end that the same will not be lost by abandonment or forfeiture; that it will apply for and use the grazing rights or, if not used, it will apply for proper non-use, all to the end that the same will not be terminated by the Bureau of Land Management; and that it will maintain the premises in as good condition as they are now in, reasonable wear and tear excepted.

This Deed of Trust is second to that certain Deed of Trust dated December 21, 1964, executed by JOSIAH W. BATCHELLER and HELEN JANE BATCHELLER, his wife, Trustors, to THE FEDERAL LAND BANK OF BERKELEY, Trustee for THE FEDERAL LAND BANK OF BERKELEY, Beneficiary, recorded March 10, 1965, in Book 6 of Official Records, page 560, Eureka County Recorder's Office, Eureka, Nevada. Any default by DUWAYNE H. NELSON in the payment of the obligation unto the holders of the note secured by the first Deed of Trust, or in the performance of any covenants of the first Deed of Trust on the part of the Grantor herein or DUWAYNE H. NELSON to be performed, shall be a default upon this Second Deed of Trust and Beneficiaries herein, after correcting the default, may exercise the right of foreclosure hereunder by judicial or non-judicial action, all pursuant to the terms hereof and the laws of the State of Nevada.

IN WITNESS WHEREOF, the said Grantor has caused this Deed of Trust to be executed in its corporate name, all as of the day and year first hereinabove written.

DIAMOND STAR RANCH,
a California corporation

By *Stanley Wilson*
President

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STATE OF NEVADA,)
) SS.
COUNTY OF ELKO.)

On December 14th, 1977, personally appeared before me, a Notary Public, DuWAYNE H. NELSON, President, who acknowledged that he executed the above instrument on behalf of DIAMOND STAR RANCH.


NOTARY PUBLIC



RECORDED AT THE REQUEST OF Wilson, Wilson And Barrows, Ltd.
on December 16, 1977 at 57 min. past 10 A.M. in
Book 62 of OFFICIAL RECORDS, page 227-232, RECORDS OF
EUREKA COUNTY, NEVADA. WILLIS A. DePAOLI Recorder
File No. 64358 Fee \$ 8.00

64358

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