

WHEN RECORDED MAIL TO:
Max D. and Mary A. Allen
1000 Fountainwood Drive
Georgetown, TX 78628

166309

DEED OF TRUST

THIS DEED OF TRUST, made and entered into as of the 12th day of ^{March}~~February~~, 1997, by and between John Uhalde & Co., a Nevada corporation, hereinafter called the Grantor; Stewart Title of Northeastern Nevada, a Nevada corporation, hereinafter called the Trustee; and Max D. Allen and Mary A. Allen, as joint tenants with right of survivorship, of Canyon, Texas, hereafter called the Beneficiaries; it being understood that the words used herein in any gender include all other genders, the singular number includes the plural, and the plural the singular,

WITNESSETH:

THAT WHEREAS, the Grantor is indebted to the Beneficiaries in the sum of FOUR HUNDRED TWENTY-THREE THOUSAND DOLLARS (\$423,000.00), lawful money of the United States, and has agreed to pay the same according to the terms and tenor of a certain Promissory Note of even date herewith, and made, executed and delivered by Grantor to Beneficiaries, which Note is in the words and figures as follows:

PROMISSORY NOTE

\$423,000.00

Elko, Nevada, ~~February~~ ^{March} ~~11/11/11~~ 12, 1997.

FOR VALUE RECEIVED, the Maker promises to pay to the order of Max D. Allen and Mary A. Allen, husband and wife, as joint tenants with right of survivorship, at Canyon, Texas, or wherever payment may be demanded by the holders of this Note, the sum of FOUR HUNDRED TWENTY-THREE THOUSAND DOLLARS (\$423,000.00), together with interest on the declining balance to accrue at the rate of eight per cent (8%) per annum from the date hereof until paid, all in the manner following:

\$49,418.90 on or before one year from date hereof and a like sum on or before the same day of each and every year thereafter until the principal balance has been paid in full. Said annual payments shall be applied first to accrued interest to date thereof and the remainder upon the principal; provided however that the entire principal and interest balance must be paid in full on or before 15 years from closing date.

An annual payment may be subject to deferral in accordance with the terms of the Contract between the Maker and payees, dated December 30, 1996.

The Maker may, at its option, make additional payments or pay the entire unpaid principal, with accrued interest, in full at any time. Said 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 at least the sums required by the above payment schedule.

The Maker and endorser waives demand, diligence, presentment, protest and notice of protest and nonpayment.

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, or in the performance of any of the provisions of any security instruments now or hereafter securing this Note, the holders may, at their option, declare the entire amount of principal and interest due and payable. Failure to exercise such option shall not constitute a waiver of the right to exercise it in the event of any subsequent default.

In case of default in the payment of any part of the principal or interest due hereunder, the Maker promises and agrees to pay the holders' reasonable attorney's fees and costs incurred in collecting the same before and during litigation or nonjudicial foreclosure.

This Note is secured by Deed of Trust and Security Agreement of even date herewith.

John Uhalde & Co., a Nevada corporation

by /s/ Gracian Uhalde
Gracian Uhalde, President

GUARANTY

FOR VALUABLE CONSIDERATION, the undersigned, for itself and its successors and assigns, hereby absolutely and unconditionally guarantees the due performance and full and prompt payment upon demand by the holder thereof, whether at maturity or by acceleration or otherwise, of any and all of the obligations under the above Note, and all renewals and extensions thereof, the Deed of Trust of even date herewith securing the Note, and all additional documents securing payment of the Note, together with interest on such obligations to the extent provided for in all said documents. This Guaranty is an absolute, unconditional and continuing guaranty. Guarantor will pay all reasonable attorney's fees and expenses incurred in enforcing this Guaranty before and through litigation.

by _____

Principal Shareholder

NOW, THEREFORE, the Grantor, for the purpose of securing the payment of the Promissory Note, and also the payment of all monies herein agreed or provided to be paid by the Grantor, or which may be paid out or advanced by the Beneficiaries or Trustee under the provisions of this instrument, with interest in each case, does hereby grant, bargain, sell, convey and confirm unto the Trustee all of the right, title and interest, claim and demand, as well in law as in equity, which the 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, and being more particularly described as follows:

TOWNSHIP 21 NORTH, RANGE 53 EAST, MDB&M

Section 16: SW $\frac{1}{4}$;

Section 21: W $\frac{1}{2}$

Jr.

TOGETHER WITH all improvements situate thereon, or which are placed thereon during the life of this Deed of Trust.

TOGETHER WITH all water, water rights, rights to the use of water, dams, ditches, canals, pipelines, reservoirs, wells and all other means for the diversion or use of water appurtenant to the real 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, included but not limited to the following Water Permits:

21839

35013

21841

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 premises, together with the appurtenances, unto the Trustee, and to its successors and assigns, for the uses and purposes herein mentioned.

The following covenants, Nos. 1, 2 (\$60,000.00), 3, 4 (8%), 5, 6, 7 (reasonable), 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.

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 hereunder operate as a waiver of any such other security now held or hereafter acquired.

Grantor will operate the premises according to the dictates of good farm practice in Diamond Valley, Nevada and will apply the water rights to beneficial use in order that they will not be lost by abandonment or forfeiture.

The Grantor expressly covenants and agrees at all times during the term hereof, and with respect to the land herein described, and all buildings and other improvements now or hereafter located or placed thereon:

- Deed in response*
- A. To properly care for and maintain the same in their present condition, order and repair, ordinary and reasonable wear and tear excepted;
 - ☒ B. Not to alter, remove or change the present use of the same without the prior written consent of the Beneficiaries;
 - C. ☒ Not to commit or permit any waste of the same; or
 - D. Not to do any other act or omit to do any other act which results, or is likely to result, in a reduction or impairment of the value of the same.

IN WITNESS WHEREOF, the Grantor has hereunto set its hand as of the day and year first hereinabove written.

John Uhalde & Co., a Nevada corporation

by *Gracian Uhalde*
Gracian Uhalde, President

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WILSON AND BARROWS, LTD.
ATTORNEYS AT LAW
442 Court St.
ELKO, NEVADA 89601

STATE OF Nevada
~~TEXAS~~,)
COUNTY OF White Pine) ss.

On March 7th, 1997, personally appeared before me, a Notary Public, Gracian Uhalde, personally known (or proved) to me to be the person whose name is subscribed to the above instrument who acknowledged that he executed the above instrument as President for John Uhalde & Co.

Monica Bird
NOTARY PUBLIC

8700651 JP
FEBRUARY 25, 1997



BOOK 306 PAGE 356
OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
Stewart Title
97 MAR 12 AM 10:49
EUREKA COUNTY NEVADA
M.N. REBALEATI, RECORDER
FILE NO. FEES 12.00

166309

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ELKO, NEVADA 89801