

WHEN RECORDED MAIL TO:
Charles E. Cooper
P.O. Box 117
Canyon, TX 79015

173722

DEED OF TRUST

THIS DEED OF TRUST, made and entered into as of the 29 day of December 1999, by and between **Lloyd Morrison and Belinda Faye Morrison**, husband and wife, of Eureka, Nevada, First Party, hereinafter called Grantors; **Stewart Title Company**, Second Party, hereinafter called Trustee; and **Charles E. Cooper**, an unmarried man, of Canyon, Texas, Third Party, hereinafter called Beneficiary; it being understood that the words used herein in any gender includes all other genders, the singular number includes the plural, and the plural the singular,

WITNESSETH:

THAT WHEREAS, the Grantors are indebted to the Beneficiary, in the sum of **ONE HUNDRED SIXTY-ONE THOUSAND DOLLARS (\$161,000.00)**, lawful money of the United States, and have 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 Grantors to Beneficiary, which note is in the words and figures as follows:

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

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98910573

PROMISSORY NOTE

\$161,000.00

Canyon, Texas, December 29, 1999.

FOR VALUE RECEIVED, the Makers promise to pay to the order of **Charles E. Cooper** at Canyon, Texas, or wherever payment may be demanded by the holder of this Note, the sum of **ONE HUNDRED SIXTY-ONE THOUSAND DOLLARS (\$161,000.00)**, together with interest on the declining balance to accrue at the rate of eight percent (8%) per annum from the date hereof until paid, all in the manner following:

\$18,809.56 on or before one year from close of escrow, and a like sum on or before the same day of each and every year thereafter until the entire principal balance has been paid in full. Annual payments shall be applied first to accrued interest to thereof and the remainder upon the principal.

An annual payment may be subject to deferral in accordance with the terms of the Amended Contract between the Makers and payee, dated December 1, 1999.

The Makers may, at their option, make additional payments or pay the entire unpaid principal, with accrued interest, in full at any time. Payments shall be applied first to accrued interest to date of payment and the remainder upon the principal. Additional payments shall not be cumulative payments, but the Makers shall in all events, pay at least the sums required by the above payment schedule.

The Makers and endorser waive 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 holder may, at his 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 Makers promise and agree to pay the holder's reasonable attorney's fee 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.

/s/ Lloyd Morrison

Lloyd Morrison

/s/ Belinda Faye Morrison

Belinda Faye Morrison

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NOW THEREFORE, the Grantors, for the purpose of securing the payment of Promissory Note, and also the payment of all monies herein agreed or provided to be paid by the Grantors, or which may be paid out or advanced by the Beneficiary 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 Grantors 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, M.D.B.&M.

Section 15: SE ¼

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, including but not limited to Water Permit No. 21426.

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 (\$40,000.00), 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.

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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 the Beneficiary to the Grantors.

Grantors, in consideration of the premises, hereby covenant and agree 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.

Grantors 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.

In the event of foreclosure and purchase of the secured property by Beneficiary, Beneficiary shall have exclusive use of one hay barn and access on the immediate adjoining property situate on the SE ¼ of Section 15, T21N, R53E, MDB&M. This easement shall continue for as long as Beneficiary owns the property.

The Grantors expressly covenant and agree 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:

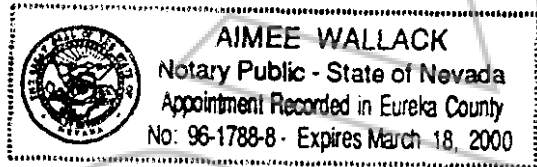
1. To properly care for and maintain the same in their present condition, order and repair, ordinary and reasonable wear and tear excepted.
2. Not to alter, remove or change the present use of the same without the prior written consent of the Beneficiary.
3. Not to commit or permit any waste of the same.
4. 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 Grantors have hereunto set their hands as of the day and year first hereinabove written.

Lloyd Morrison
Lloyd Morrison

Belinda Faye Morrison
Belinda Faye Morrison

STATE OF NEVADA,)
) ss.
COUNTY OF Eureka)



On December 30th, 1999, personally appeared before me, a Notary Public, Lloyd Morrison and Belinda Faye Morrison, personally known (or proved) to me to be the persons whose names are subscribed to the above instrument who acknowledged that they executed the above instrument.

Aimee Wallack
NOTARY PUBLIC

89120861 BB, 1999

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OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
Stewart Title Co.
99 DEC 30 PM 2:11

EUREKA COUNTY NEVADA
M.N. REBALEATI, RECORDER
FILE NO. FEES 11.00

173722

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