

When recorded mail to:
Beneficiary
1065 Pincay Drive
Henderson, NV 89015

175673

APN 7-370-37

DEED OF TRUST, FIXTURE FILING AND SECURITY AGREEMENT

THIS DEED OF TRUST, FIXTURE FILING AND SECURITY AGREEMENT, made this 14th day of December, 2000, and between OWEN J. MILLER and CHERYL MILLER, husband and wife, as Grantors, STEWART TIT OF NORTHEASTERN NEVADA, a Nevada Corporation, as Trustee; and IVAN L. SMART, a married man as his sole and separate property, as "Beneficiary";

WITNESSETH:

That Grantors hereby grant, transfer and assign to the Trustee in trust, with power of sale, all of the following described property situate in the County of Eureka, State of Nevada:

Parcel 2 as shown on that certain Division of Land into Large Parcels Map filed in the Office of the County Recorder of Eureka County, State of Nevada, on November 20, 2000, as File N 175607, being a portion of Sections 21 and 28, Township 20 North, Range 53 East/DB&M.

EXCEPTING THEREFROM all the oil and gas lying in and under said land as reserved by the United States of America in patents recorded September 21, 1964, in Book 5, Page 82, and December 30, 1965, in Book 9, Page 422, Official Records, Eureka County Nevada.

FURTHER EXCEPTING THEREFROM one-half of mineral rights, oil or gas as reserved by EVIN C. BISHOP and LETA B. BISHOP, his wife, in Deed recorded August 23, 19 in Book 65, Page 317, Official Records, Eureka County, Nevada.

FURTHER EXCEPTING THEREFROM an undivided 25% interest in and to all minerals of every kind, nature and description lying in and under said land as conveyed to IVAN L. SMART, an unmarried man, in Deed recorded May 2, 1994, in Book 268, Page 463, and re-recorded May 5, 1994, in Book 269, Page 12, Official Records, Eureka County, Nevada.

TOGETHER with all buildings and improvements thereon.

TOGETHER with the following water rights appurtenant to said property:

- A. 566.16 acre feet from Permit No. 23739 (Certificate No. 6723) as issued by the State Engineer, Department of Water Resources, State of Nevada.
- B. 387.20 acre feet from Permit No. 19218 (Certificate No. 6713) as issued by the State Engineer, Department of Water Resources, State of Nevada.

TOGETHER with all mineral rights owned by the Grantors, if any.

TOGETHER with the fixtures, equipment and other personal property set forth in Exhibit "A" attached hereto and incorporated herein by reference.

-1-

ROSS P. EARDLEY

ATTORNEY AT LAW
469 IDAHO STREET
ELKO, NEVADA 89801

TELEPHONE (775) 738-4046 - FAX (775) 738-6286

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TOGETHER with all and singular the tenements, hereditaments, easements and appurtenances thereto belonging or in anywise appertaining, and the reversions, remainders, reissues and profits thereof, or any part thereof.

SUBJECT to taxes and assessments, reservations, exceptions, easements, rights of way, limitations, covenants, conditions, restrictions, terms, liens, charges and licenses affecting the property of record.

TO HAVE AND HOLD the same unto the said Trustee and its successors, in trust, to secure the performance of the foregoing obligations, and payment of the following debts:

ONE: Payment of an indebtedness evidenced by a certain Promissory Note dated December _____, 2000, in the principal amount of ONE HUNDRED FORTY THREE THOUSAND NINE HUNDRED DOLLARS (\$143,900.00) together with interest thereon at the rate of 9½% per annum from the date of said Note, until paid, and including expenses, penalties (if applicable), attorneys' fees and other payments therein provided, executed and delivered by the Grantors payable to the Beneficiary or order, and any and all extensions, revisions and amendments of the above, which Promissory Note is made a part hereof.

TWO: Payment of all other sums with interest thereon, if any, becoming due or payable under the provisions hereof to said Trustee or Beneficiary.

THREE: Payment, performance and discharge of each and every obligation, covenant, promise and agreement of Grantors herein or in said Promissory Note contained and of all renewals, extensions, revisions and amendments of the above described Promissory Note and any other indebtedness or obligations secured here.

FOUR: Obtaining and paying the premiums on hazard insurance and paying all taxes and assessments on the subject property.

To protect the security of this Deed of Trust, Fixture Filing and Security Agreement it is agreed as follows:

1. The following covenants, Nos. 1, 2 (insurable value), 3, 4 (9½%), 5, 6 (which covenant is deemed to include and apply to all conditions, covenants and agreements contained herein in addition to those adopted by reference and to any and all defaults or deficiency in performance of this Deed of Trust, Fixture Filing and Security Agreement), 7 (reasonable), 8 and 9 of NRS 107.030, are hereby adopted and made a part of this Deed of Trust, Fixture Filing and Security Agreement.

2. All payments secured hereby shall be paid in lawful money of the United States of America.

3. The Beneficiary and any persons authorized by the Beneficiary shall have the right to enter upon and inspect the premises at all reasonable times.

4. In case of indemnation of the property subject hereto, or any part thereof, by paramount authority, all of any condemnation award to which the Grantors shall be entitled, less costs and expenses of litigation, is hereby assigned by Grantors to the Beneficiary, to the extent the Beneficiary is entitled thereto, who is hereby authorized to receive and receipt for the same and apply such proceeds as received toward the payment of indebtedness hereby secured, whether due or not.

5. Any notice to be given to the Grantors shall be sent by registered or certified letter to the Grantors at the address set forth near the signatures in this document, or at such substitute address as Grantors may designate in writing duly delivered to the Beneficiary and the Trustee. Such address shall be deemed conclusively to be the correct address of Grantors for all purposes in connection with this document, including, but not limited to, giving of notices permitted or required by statute to be mailed to Grantors.

6. All of the provisions of this instrument shall inure to the benefit of and bind the heirs, legal representatives, successors and assigns of each party hereto respectively as the context permits. The word "Grantors" and any reference thereto shall include the masculine, feminine and neuter genders and the singular and plural as indicated by the context and number of parties hereto.

7. The Grantors shall not remove, damage or demolish any buildings or other improvements unless the Beneficiary gives prior consent in writing, and the building or improvement is immediately replaced with one of equal or greater value. The Grantors shall not cause or permit any waste or deterioration of the property, nor permit the security to be lessened, diminished, depleted or impaired.

In addition to the above, the Grantors specifically agree to plow and reseed the two pivot areas now under cultivation before July 30, 2001. If Grantors fail to accomplish this plowing and reseeded by the above date, the Grantors shall on or before said date make an additional payment of \$40,000.00 on the principal balance of the obligation secured hereby, and if said payment is not made, the Beneficiary hereof may declare a default herein and after giving such Notice of Default and Election to Sell as required by NRS, Section 107.080 the entire remaining balance of the obligation secured hereby, including principal and accrued interest, shall immediately become due and payable; and upon any trustee or foreclosure sale there shall be added to the principal balance owing on the obligation secured hereby the sum of \$40,000.00.

The Grantors further agree during the term hereof to maintain the farmland and cultivated areas herein sold in good working condition and to operate the same in a good farmerlike manner in accordance with the farming practices and customs in the surrounding community to the end that the security hereof is not lessened, diminished or depleted. If the Grantors fail to do so, the Beneficiary shall give Grantors written notice thereof and Grantors shall immediately pay to the Beneficiary an additional payment of \$40,000.00 on the principal balance of the obligation secured hereby, and if said payment is not made, the Beneficiary hereof may declare a default herein, and after giving such Notice of Default and Election to Sell as required by NRS, Section 107.080, the entire remaining balance of the obligation secured hereby, including principal and accrued interest, shall immediately become due and payable; and upon any trustee or foreclosure sale there shall be added to the principal balance owing on the obligation secured hereby the sum of \$40,000.00.

8. It is also agreed that with reference to the fixtures and equipment described in Exhibit "A" attached hereto and incorporated herein by reference, the Grantors may at any time, after written notice to the Beneficiary, sell a part or portion of said equipment that is still subject to this instrument for the reasonable market price thereof, and the total sale proceeds shall be paid to the Beneficiary to reduce the debt. The Beneficiary agrees upon payment to release these items from any further lien of this Deed of Trust, Fixture Filing and Security Agreement.

9. The Grantors shall put to beneficial use all water and water rights and shall maintain and protect all water, water rights and water permits in connection with the above described property, and shall not by any act of commission or omission do anything to lessen or jeopardize the said water, water rights and water permits as set forth above.

10. It is expressly agreed that the trusts created hereby are irrevocable by the Grantors.

11. The commencement of any proceedings under the bankruptcy or insolvency laws by or against the Grantors or the makers of the Promissory Note secured hereby, or the appointment of a receiver for any of the assets of the Grantors hereof or the makers of the Promissory Note secured hereby, or the making by the Grantors or the makers of the Promissory Note secured hereby of a general assignment for the benefit of creditors, shall, at the election of the Beneficiary, constitute a default under this instrument.

12. The rights and remedies herein granted shall not exclude any other rights or remedies granted by law, and all rights or remedies granted hereunder or permitted by law shall be concurrent and cumulative.

13. The property shall include all buildings, improvements, fences and irrigation equipment on or associated with the property.


14. Grantors hereby give and assign to Beneficiary, upon default in payment of any debts secured hereby or in the performance of this Deed of Trust, Fixture Filing and Security Agreement, all the rents, issues and profits of the property; RESERVING UNTO GRANTORS HOWEVER, the right, prior to any default by Grantors payment of any indebtedness secured hereby or in the performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time, after the recording of a Notice of Default and Election to Sell, either in person, agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof and in Beneficiary's own name sue for or otherwise collect such rents, issues and profits (including the past due and unpaid), and apply the same, less costs and expenses of operations and collection (including reasonable attorney fees), upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default notice of default hereunder or invalidate any act done pursuant to such notice.

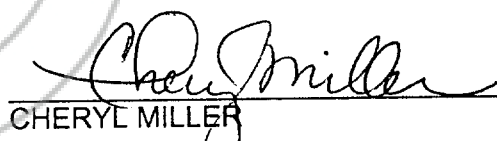
15. The Grantors consent and agree that a receiver of the property subject to this Deed of Trust, Fixture Filing and Security Agreement may be appointed upon application of the Trustee or Beneficiary at any time or the recording of a Notice of Default and Election to Sell with or without a showing of statutory grounds.

16. To the extent that this document contains fixtures and personal property, it is intended to be a fixture filing, financing statement and security agreement and to perfect a security interest in the personal property and fixtures pursuant to the Nevada Uniform Commercial Code.

17. So long as there is any balance owing in connection with this Deed of Trust, Fixture Filing and Security Agreement the Grantors shall not sell, assign or transfer any interest in the property described herein without prior written consent of the Beneficiary. If all or any part of the property is sold without said written consent, the Beneficiary may, at his option, declare this Deed of Trust, Fixture Filing and Security Agreement in default and all sums secured hereby immediately due and payable.

IN WITNESS WHEREOF, the Grantors have executed these presents the day and year first above written.


OWEN J. MILLER


CHERYL MILLER

STATE OF *Tennessee*)
 :
 COUNTY OF *Marshall*) SS.

This instrument was acknowledged before me on December 11th, 2000, by OWEN J. MILLER and ~~CHERYL MILLER~~.

Jeani L. Rogers
NOTARY PUBLIC

My Commission Expires: 8-6-01

Grantors' Address:
Route 2, Box 333A (*Swartzel Shop Rd*)
Staunton, VA 24401

Beneficiary's Address:
1065 Pincay Drive
Henderson, NV 89015

STATE OF *Virginia*)
 :
 COUNTY OF) SS.

This instrument was acknowledged before me on December 08, 2000 by CHERYL MILLER.

Susan Swisher
NOTARY PUBLIC

My Commission Expires 8/31/03

EXHIBIT "A"

That certain personal property situate on the real property described in the Deed of Trust, Fixture Filing and Security Agreement to which this Exhibit is attached, which personal property is more particularly described as follows:

- A. Those two certain irrigation pivots situate on said real property, together with the pumps, parts and irrigation equipment held and used in connection therewith.
- B. Any interest of the Grantors named in said Deed of Trust, Fixture Filing and Security Agreement in a certain 1974 Royal Oaks Mobile Home now situate on said real property; it being understood that Grantors make no warranties of title as to said mobile home.

COPY

BOOK 339 PAGE 158
OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
Stewart Title
00 DEC 14 PM 1:53

HERNANDO COUNTY NEVADA
M.H. REBALEATI, RECORDER
FILE NO. **175673** FEES 12⁰⁰