

When recorded mail to
Fish Creek Ranch, LLC
P.O. Box 864
Eureka, NV 89316

178401

A.P.N: 008-3212 (Master), 008-200-02
008-2013, 008-210-02

RECORDING REQUESTED BY:

Wilson and Barrows, L.
442 Court Street
Elko, Nevada 89801

DEED OF TRUST

THIS DEED OF TRUST, made and entered into as of the 26th day of July 2002, by and between **Ladys McCulloch**, a widow, and **Ken Ambrosini**, a widower, both of Ely, Nevada, First Party, hereinafter called Grantors; **Stewart Title of Northeastern Nevada**, Second Party, hereinafter called Trustee; **Fish Creek Ranch, LLC**, a Nevada limited liability company, 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 THREE HUNDRED FIFTY-FIVE THOUSAND, FIVE HUNDRED DOLLARS (\$355,500.00), 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:

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ATTORNEYS AT LAW
442 Court St.
ELKO, NEVADA 89801

BOOK 348 PAGE 376

2211000

PROMISSORY NOTE

\$355,500.00

Eureka, Nevada, July _____, 2002.

FOR VALUE RECEIVED, the Makers jointly and severally promise to pay to the order of **Fish Creek Ranch, LLC**, a limited liability company, at Eureka, Nevada, or wherever payment may be demanded by the holder of this Note, the sum of **THREE HUNDRED FIFTY-FIVE THOUSAND, FIVE HUNDRED DOLLARS (\$355,500.00)**, together with interest on the declining balance to mature at the rate of seven per cent (7%) per annum from the date hereof until paid, all in the manner following:

Accrued interest only to date of payment shall be payable annually, commencing one year after close of escrow and continuing on the same day of each subsequent year for a period of 10 years, at which time the then unpaid principal balance, together with all accrued interest shall become due and payable.

The Makers may, at their option, make additional payments or pay the entire unpaid principal, with accrued interest, 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 and the Makers shall in all events, pay at least the sums required by the above payment schedule.

The Makers and endorsers 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 its 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 payment of any part of the principal or interest due hereunder, the Makers promise and agree to pay the holder's 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 of even date herewith which contains, among others, a Due on Sale clause.

151
Gladys McCulloch, a widow

151
Ken Ambrosini, a widower

NOW THEREFORE, the Grantors, 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 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 property situate in the County of Elko, State of Nevada, and being more particularly described as follows:

See Exhibit A attached hereto and made a part hereof.

TOGETHER WITH any 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, pumps, pumping stations, and all other means of the diversion or use of water appurtenant to the said land or any part thereof for irrigation, stockwatering, domestic or any other use, including Proof of Appropriation 09304.

TOGETHER WITH the tenements, hereditaments and appurtenances thereto 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 (100% replacement cost), 3, 4 (7%) 5, 6, 7 (legal rate), 8 and 9 of RS 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 same, together with interest as shall be provided for therein, as may hereafter be loaned advanced by the Beneficiary to the Grantors.

Grantor in consideration of the premises, hereby covenants and agrees that neither the acceptance or existence, now or hereafter, of other security for the indebtedness

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BOOK 348 PAGE 378
3

secured hereby, nor the release thereof, shall operate as a waiver of the security of this Deed of Trust, nor shall the 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.

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 on the land 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 the event the trustor shall sell, convey or alienate said property or any part thereof, or any interest therein shall be divested of their Title or any interest therein in any manner or way, whether voluntary or involuntary, without the written consent of the beneficiary being first had and obtained, the beneficiary shall have the right, at their option, to declare any indebtedness or obligations secured hereby, irrespective of the maturity date specified in any note evidencing the same immediately due and payable.

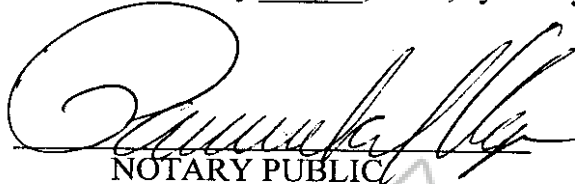
IN WITNESS WHEREOF, the Grantors have hereunto set their hands as of the day and year first hereinabove written.


Gladys McCulloch

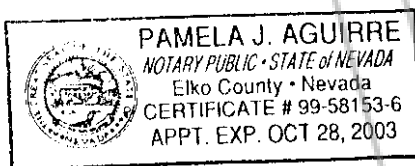

Ken Ambrosini

STATE OF NEVADA)
) ss.
COUNTY OF Elko)

This instrument was acknowledged before me on July 24th, 2002, by Gladys McCulloch and Ken Brosini.


NOTARY PUBLIC

02060971.PP
July 5, 2002



WILSON AND BARROWS, LTD.
ATTORNEYS AT LAW
442 Court St.
ELKO, NEVADA 89801

BOOK 348 PAGE 380

5

LEGAL DESCRIPTION

The land referred herein is situated in the State of Nevada,
County of EUREKA CNTY, described as follows:

TOWNSHIP 17 NORTH, RANGE 49 EAST, M.D.B.&M.

Section 24: Homestead Entry No. 174, comprising Tracts A and B,
embracing a portion of, approximately Section 24 in
TOWNSHIP 17 NORTH, RANGE 49 EAST, M.D.B.&M., Nevada,
more particularly bounded and described as follows:

Beginning for the description of Tract A at Corner No. 1,
identical with the Southwest Corner to Section
19 in TOWNSHIP 17 NORTH, RANGE 50 EAST, M.D.B.&M.;

THENCE North 87° West 43.66 chains to Corner No. 2;

THENCE North 2°40' West 3.44 chains to Corner No. 3;

THENCE North 73°35' East 22.53 chains to Corner No. 4;

THENCE South 63°30' East 10.92 chains to Corner No. 5;

THENCE South 84°24' East, 12.41 chains to Corner No. 6;

THENCE South 0°4' East, 5.98 chains to Corner No. 1, the
place of beginning;

Beginning for the description of Tract B at Corner No. 7,
from which Corner No. 2 of said Tract A bears South 87°
East 4 links distant;

THENCE North 87° West 27.75 chains to Corner No. 8;

THENCE North 39°12' East 12.76 chains to Corner No. 9;

THENCE North 39°29' West 16.96 chains to Corner No. 10;

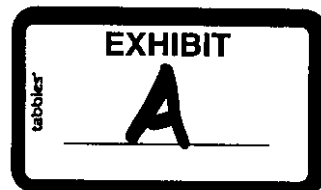
THENCE North 47° East 4.48 chains to Corner No. 11;

THENCE South 33°44' East 4.99 chains to Corner No. 12;

THENCE South 48°30' East 30.75 chains to Corner No. 13;

THENCE North 73°35' East 1.24 chains to Corner No. 14;

BOOK 348 PAGE 381



HENCE South 2°40' East 3.28 chains to Corner No. 7,
the place of beginning.

TOWNSHIP 17 NTH, RANGE 50 EAST, M.D.B.&M.

Section 19: Section 4; SE1/4SW1/4;
Section 29: E1/2NW1/4; W1/2NE1/4;
Section 30: E1/4NW1/4; N1/2NE1/4;

EXCEPTING FROM all of the above described parcels all of
VALIANT FARMS EUREKA, INC'S right, title, equity, and interest
of any and all nature in and to the mineral rights and interest,
including coal, oil, gas, and other hydrocarbons, and all other
metallic and non-metallic minerals ores and substances, and
geothermal steam, hot water, hot brines, thermal energy, and
gases lying and under said land as conveyed to APAL, a
Limited Partnership by Deed recorded January 22, 1981, in Book
90, page 437, Official Records, Eureka County, Nevada.

BOOK 348 PAGE 376
OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
Stewart Title Co.
02 JUL 26 PM 3:11

EUREKA COUNTY NEVADA
M.N. REBALEATI, RECORDER
FILE NO. FEES \$20⁰⁰

178401

BOOK 348 PAGE 382