

PROMISSORY NOTE

\$70,775.00

Date: June 1, 1994

For value received, the undersigned David A. Cowles and Elizabeth C. Cowles (collectively the "Promisor") each as principal, jointly and severally, promise to pay to the order of Karen L. Plunkett, SPT (the "Payee"), at P.O. Box 766, Caliente, Lincoln, Nv 89008, (or at such other place as the Payee may designate in writing) the sum of \$ 70,775.00 with interest from June 1, 1994, on the unpaid principal at the rate of 8.50 percent annually.

Unpaid principal after the Due Date shown below shall accrue interest at a rate of 12.00 percent annually until paid.

The unpaid principal and accrued interest shall be payable in monthly installments of \$544.20, beginning on July 1, 1994, and continuing until June 1, 2024, (the "Due Date"), at which time the remaining unpaid principal and interest shall be due in full. All payments on this Note shall be applied first in payment of accrued interest and any remainder in payment of principal.

The Promisor promises to pay a late charge of \$200.00 for each installment that remains unpaid more than 30 day(s) after its due date. This late charge shall be paid as liquidated damages in lieu of actual damages, and not as a penalty.

If any installment is not paid when due, the remaining unpaid balance and accrued interest shall become due immediately at the option of the Payee.

The Promisor reserves the right to prepay this Note (in whole or in part) prior to the Due Date with no prepayment penalty.

If any payment obligation under this Note is not paid when due, the Promisor promises to pay all costs of collection, including reasonable attorney fees, whether or not a lawsuit is commenced as part of the collection process.

If any of the following events of default occur, this Note and any other obligations of the Promisor to the Payee, shall become due immediately, without demand or notice:

- 1) the failure of the Promisor to pay the principal and any accrued interest in full on or before the Due Date;
- 2) the death of the Promisor(s) or Payee(s);
- 3) the filing of bankruptcy proceedings involving the Promisor as a Debtor;
- 4) the application for appointment of a receiver for the Promisor;
- 5) the making of a general assignment for the benefit of the

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Promisor's creditors;

- 6) the insolvency of the Promisor; or
- 7) the misrepresentation by the Promisor to the Payee for the purpose of obtaining or extending credit.

In addition, the Promisor shall be in default if there is a sale, transfer, assignment, or any other disposition of any assets pledged as security for the payment of this Note, or if there is a default in any security agreement which secures this Note.

If any of the above defaults apply to one Promisor, all Promisors shall be deemed in default of this Note regardless of whether all Promisors are directly involved in the default.

This Note is secured by a Deed to Lot 3 Parcel 95556 Caliente, Lincoln, Nevada, dated June 1, 1994. The Payee is not required to rely on the above security for the payment of this Note in the case of default, but may proceed directly against the Promisor.

Promisor is required to maintain term life insurance payable to the Payee in an amount sufficient to pay the principal and accrued interest in full in the event of Promisor's death.

If any one or more of the provisions of this Note are determined to be unenforceable, in whole or in part, for any reason, the remaining provisions shall remain fully operative.

All payments of principal and interest on this Note shall be paid in the legal currency of the United States. Promisor waives presentment for payment, protest, and notice of protest and nonpayment of this Note.

No renewal or extension of this Note, delay in enforcing any right of the Payee under this Note, or assignment by Payee of this Note shall affect the liability of the Promisor. All rights of the Payee under this Note are cumulative and may be exercised concurrently or consecutively at the Payee's option.

This Note shall be construed in accordance with the laws of the State of Nevada.

W. D.

Signed this 1 day of June, 1994, at _____

David A. Cowles

By:

David Cowles
David A. Cowles

Elizabeth C. Cowles

By:

Elizabeth C. Cowles
Elizabeth C. Cowles

105015

FILED AND RECORDED AT REQUEST OF

KAREN PLUNKETT

MARCH 28, 1996

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YURIKO SETZER

BY Judie Boucher COUNTY CLERK DEPUTY