

Official Record

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LOGISTICS & DISTRIBUTION SERVICES

Lincoln County - NV

Leslie Boucher - Recorder

Fee: \$27.00

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RPTT:

Recorded By: AE

Book- 245 Page- 0549



0132890

A.P.N. #	06-291-09;06291-21;06291-22 (portion of);06-301-20;12-060-04;12-060-07;12-060-12; and 12-060-13
Recording Requested By:	
Ross A. Kline	
Mail Tax Statements To:	
Same As Below	
When Recorded Mail To:	
Ross A. Kline	
14331 Lear Boulevard	
Reno, NV 89506	

DEED OF TRUST WITH ASSIGNMENT OF RENTS

THIS DEED OF TRUST made this 26th day of September, 2008, between, herein called "Trustor", **CHARLES, LEE AND TRUMAN MATHEWS; TLC Transport, STAR LOGSITICS**, a Nevada Corporation herein called "Trustee", and **ROSS A. KLINE, AND KLINE FAMILY TRUST**, herein called "Trustee", and **ROSS A. KLINE, AND KLINE FAMILY TRUST**, herein called "Beneficiary".

WITNESSETH:

That Trustor irrevocably grants to Trustee in trust, with power of sale, all interest of Trustor in that certain property situated in Lincoln, State of Nevada, more particularly described as follows:

See Exhibit "A" attached hereto and by reference made a part hereof for complete legal description.

TOGETHER WITH, the tenements, hereditaments and appurtenances thereunto belonging or appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, subject, however, to the right of Beneficiary, during any period of default hereunder, and without waiver of such default, to collect said rents, issues and profits by any lawful means, and to apply the same, less costs and expenses of collection, to any indebtedness secured hereby.

FOR THE PURPOSE OF SECURING: (1) payment of the sum of and the interest thereon according to the terms of a promissory note or notes of even date herewith made by Trustor, payable to order of Beneficiary, and all extensions or renewals thereof; and (2) the performance of each agreement of Trustor incorporated herein by reference or contained herein; and (3) payment of additional sums and interest thereon which may hereafter be loaned to Trustor, or to his successors or assigns, when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust.

AND THIS INDENTURE FURTHER WITNESSETH:

1. Trustor agrees to properly care for and keep said property in good condition and repair, not to remove or demolish any building thereon, to complete in a good and workmanlike manner any building which may be constructed thereon, and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws, ordinances and regulations relating to any alterations or improvements made thereon; not to commit or permit any waste thereof; not to commit, suffer, or permit any act to be done in or upon said property in violation of any law, covenant, condition, or restriction affecting said property, to cultivate,



irrigate, fertilize, fumigate, prune and/or do any other act or acts, all in a timely and proper manner, which from the character or use of said property, may be reasonably necessary, the specific enumerations herein not excluding the general.

2. Trustor agrees to pay and discharge all costs, fees and expenses of this trust incurred in connection with any default by Trustor.
3. During the continuance of this trust, Trustor covenants to keep all buildings that may now or at any time be on said property in good repair and insured against loss by fire, with extended coverage endorsement, in a company or companies authorized to issue such insurance in the State of Nevada. Said insurance shall be at least in the sum of all obligations having priority over this deed of trust, or the maximum full insurable value of such buildings, whichever is less. Said insurance shall be payable to beneficiary to the amount of any monetary loss suffered by Beneficiary as a result of the breach by Trustor of a provision of this deed of trust or of the Agreement hereby secured. The policy or policies of said insurance shall be delivered to Beneficiary or to the collection agent of Beneficiary, as further security and in default thereof, Beneficiary may procure such insurance and/or make such repairs, and expend for either of such purposes such sum or sums Beneficiary shall deem necessary.
4. Trustor promises and agrees that if, during the existence of this trust, there be commenced or pending any suit or action affecting said property, or any part thereof, or the title thereto, or if any adverse claim for or against said property, or any part thereof, be made or asserted, he will appear in and defend any such matter purporting to affect the security and will pay all costs and damages arising because of such action.
5. Any award of damages in connection with any condemnation for public use of, or injury to said property, or any part thereof, is hereby assigned and shall be paid to Beneficiary, who may apply or release such moneys received by him in the same manner and with the same affect as herein provided for disposition of proceeds of insurance.
6. Trustee shall be under no obligation to notify any party hereto of any pending sale of said property, whether such sale is by foreclosure or otherwise or of any action or proceeding in which Trustor or Beneficiary or Trustee shall be a party, unless brought by Trustee.
7. At any time, and from time to time, without liability therefor and without notice to Trustor, upon written request of Beneficiary and presentation of this Deed of Trust and the Agreement secured hereby for endorsement and without affecting the personal liability of any person for performance of the Agreement secured hereby or the affect of this Deed of Trust upon the remainder of said property, Trustee may: reconvey any part of said property; consent in writing to the making of any map or plat thereof; join in granting any easement thereof or join in any extension agreement or subordination agreement in connection herewith.
8. Upon receipt of written request from Beneficiary that the Agreement secured hereby has been performed and upon the surrender of this Deed of Trust and the Agreement secured hereby to Trustee for cancellation and retention, or such other disposition as Trustee, in its sole discretion, may choose, and upon payment of its fees, the Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters of fact shall be conclusive proof of the truth thereof. The Grantee in such reconveyance may be described in general terms as "the person or persons legally entitled thereto".
9. Should Trustor default in any term, covenant or condition of the Agreement secured hereby, or in the performance of any of the covenants and agreements herein contained or incorporated herein by reference, Beneficiary may proceed to exercise the remedies herein provided.
 - a. Should default be made by Grantor in payment of any indebtedness secured hereby



- and/or in performance of any agreement herein, then Beneficiary may declare all sums secured hereby immediately due by delivery to Trustee of a written declaration of default and demand for sale, and of written notice of default and election to cause said property to be sold (which Trustee shall cause to be filed for record) and shall surrender to Trustee this Deed, the notes and all documentation evidencing any expenditure secured hereby.
- b. After three months shall be elapsed following recordation of such notice of default, Trustee shall sell said property at such time and at such place in the State of Nevada as the Trustee, in its sole discretion, shall deem best to accomplish the objects of these Trusts, having first given notice of such sale as then required by law. Place of sale may be either in the county in which the property is to be sold, or any part thereof, is situated, or at an office of the Trustee located in the State of Nevada.
 - c. The Grantor, Pledgor and Mortgagor of the personal property herein and/or mortgage waive any and all other demands or notices as condition precedent to sale of such property.
 - d. Trustee may postpone sale of all, or any portion, of said property by public announcement at the time fixed by said notice of sale, and may thereafter postpone said sale from time to time by public announcement at the time previously appointed.
 - e. At the time of sale so fixed, Trustee may sell the property so advertised or any part thereof, either as a whole or in separate at its sole discretion, at public auction, to the highest bidder for cash in lawful money of the United States, payable at time of sale, and shall deliver to purchaser, a deed conveying the property so sold, but without covenant or warranty, express or implied, Grantor hereby agrees to surrender, immediately and with demand, possession of said property to such purchaser.
10. Trustee shall apply the proceeds of any such sale to payment of, expenses of sale and all charges and expenses of Trustee and of these Trusts, including cost of evidence of title and Trustee's fee in connection with sale; all sums expended under the terms hereof, not then repaid, with accrued interest at the rate of ten percent (10%) per annum, all other sums then secured hereby, and the remainder, if any, to the person or persons legally entitled thereto.
 11. The following covenants No. 1, 3, 4 (interest 12%), 5, 6, 7 (counsel fees – a reasonable percentage), 8 and 9 of Nevada Revised Statutes 107.030, are hereby adopted and made a part of this Deed of Trust.
 12. Trustor agrees to pay any deficiency arising from any cause after application of the proceeds of the sale held in accordance with the provisions of the covenants hereinabove adopted by reference.
 13. This Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. It is expressly agreed that the Trust created hereby is irrevocable by Trustor.
 14. Trustee accepts this trust when this Deed of Trust, duly executed and acknowledged is made a public record as provided by law, reserving, however, unto the Trustee, the right to resign from the duties and obligations imposed herein whenever Trustee, in its sole discretion, deems such resignation to be in the best interest of the Trustee. Written notice of such resignation shall be given to Trustor and Beneficiary.
 15. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural. The term "Beneficiary" includes any future holder of the note secured hereby. The term "Trustor" includes the term



"Grantor".

Charles Mathews

By *Charles Mathews*
Charles Mathews

Truman Mathews

By *[Signature]*
Truman Mathews

Lee Mathews

By *Lee Mathews*
Lee Mathews

TLC Transport

By *[Signature]*
Truman Mathews

Star Logistics

By *[Signature]*
Truman Mathews

PAYEE:

By *R.A.*
Ross A. Kline

Executed this 26th day of September, 2008.

State of Nevada }
County of Washoe } ss

This instrument was acknowledged before me
on 9/26/08
by: Charles Mathews, Truman Mathews (3), & Lee Mathews

Signature: *Kathryn Eveland Koon*
Notary Public





EXHIBIT "A"

John L. Mathews and Donnene C. Mathews, husband and wife as community property with right of survivorship as to an undivided 1/2 interest and Lee R. Mathews and ShaRee B. Mathews, husband and wife as community property with right of survivorship as to an undivided 1/2 interest, as to Parcel Nos. I, II, III, IV, V, VI

The land referred to in this Deed of Trust is situated in the County of Lincoln, State of Nevada, and is described as follows:

PARCEL I:

THE POINT OF BEGINNING IS A STEEL FENCE POST LOCATED ON THE MOUNT DIABLO BASELINE, OR AT A POINT FROM WHICH THE SOUTH QUARTER (S1/4) CORNER OF SECTION 36, TOWNSHIP 1 NORTH, RANGE 68 EAST, BEARS DUE WEST 1690.75 FEET (MARKED BY A B.L.M. BRASS CAP DATED 1971 BY THE U.S. COAST AND GEODETIC SURVEY);
 THENCE SOUTH 26°08' WEST, 393 FEET MORE OR LESS TO A STEEL FENCE POST;
 THENCE SOUTH 63°08' EAST, 1570 FEET MORE OR LESS TO A STEEL FENCE POST;
 THENCE SOUTH 26°52' WEST, 77 FEET MORE OR LESS TO A STEEL FENCE POST;
 THENCE SOUTH 63°08' EAST, 125 FEET MORE OR LESS TO THE CENTER OF THE MEADOW VALLEY FLOOD CHANNEL;
 THENCE NORTHEAST ALONG SAID FLOOD CHANNEL TO A POINT WHERE IT INTERSECTS THE (PROLONGATION OF THE) EAST LINE OF LOT 4, LOCATED WITHIN THE NW1/4 OF SECTION 5, TOWNSHIP 1 SOUTH, RANGE 69 EAST, OR AT A POINT IN THE CENTER OF THE FLOOD CHANNEL APPROXIMATELY 750 FEET SOUTH OF THE MOUNT DIABLO BASELINE
 THENCE NORTH 750 FEET MORE OR LESS TO THE NORTHEAST CORNER OF SAID LOT 4 ON SAID BASELINE;
 THENCE EAST ALONG THE SAID BASELINE 930 FEET MORE OR LESS TO THE SOUTH QUARTER (S1/4) CORNER SECTION 31 (TOWNSHIP 1 NORTH, RANGE 69 EAST) MARKED BY A B.L.M. BRASS CAP DATED 1974;
 **THENCE CONTINUING "EAST" (SOUTH 89°46'13" EAST) ALONG SAID BASELINE 520.43 FEET *;
 THENCE NORTH 03°43'51" EAST, 731.32 FEET *;
 THENCE NORTH 37°37'24" WEST, 261.41 FEET *;
 THENCE NORTH 51°22'05" EAST, 1818.92 FEET *;
 THENCE NORTH 56°11'13" EAST, 1837.92 FEET * AT THE SOUTHEAST CORNER OF A CONCRETE WELL PUMP BASE;
 THENCE NORTH 56°43'07" EAST, 744.95 FEET TO THE EAST LINE OF THE W1/2 NW1/4 SECTION 32 *;
 THENCE NORTH 00°21'08" EAST, ** 995 FEET MORE OR LESS ALONG THE SAID EAST LINE TO THE CENTER OF THE MEADOW VALLEY FLOOD CHANNEL;
 THENCE WESTERLY 1320 FEET MORE OR LESS ALONG SAID FLOOD CHANNEL TO A POINT ON THE WEST LINE OF THE NW1/4 NW1/4 OF SAID SECTION 32;
 THENCE SOUTHWESTERLY 1130 FEET MORE OR LESS ALONG SAID FLOOD CHANNEL TO THE SOUTH LINE OF THE NE1/4 NE1/4 OF SECTION 31, TOWNSHIP 1 NORTH, RANGE 69 EAST;
 THENCE WEST 250 FEET MORE OR LESS ALONG THE SOUTH LINE TO THE SOUTHWEST CORNER OF THE NE1/4 NE1/4 OF SECTION 31;
 THENCE SOUTH 130 FEET MORE OR LESS TO THE CENTER OF THE FLOOD CHANNEL;
 THENCE SOUTHWESTERLY 1650 FEET MORE OR LESS TO THE NORTH LINE OF THE NW1/4 SE1/4 SECTION 31;
 THENCE WEST 2800 FEET MORE OR LESS TO THE NORTHWEST CORNER OF THE NW1/4 SW1/4 SECTION 31, AT THE RANGE 68 EAST/RANGE 69 EAST, RANGE LINE AT WHICH POINT IS A B.L.M. BRASS CAP MARKED "1/4 SOUTH 36, RANGE 68 EAST/SOUTH 31, RANGE 69 EAST,



1974";

THENCE SOUTH 1320 FEET MORE OR LESS TO THE NORTHWEST CORNER OF THE SW1/4 SW1/4 SECTION 31;

THENCE WEST 316 FEET MORE OR LESS ALONG THE NORTH LINE OF THE SE1/4 SE1/4 SECTION 36 (TOWNSHIP 1 NORTH, RANGE 68 EAST);

THENCE SOUTH 26°08' WEST, 1470 FEET MORE OR LESS TO THE POINT OF BEGINNING.

**DISTANCES AND BEARINGS WITHIN DOUBLE ASTERICS ARE MEASURED BASIS OF BEARINGS OF MEASURED LINES IS THE N-S CENTERLINE OF SECTION 31, TOWNSHIP 1 NORTH, RANGE 69 EAST, M.D.B.&M., WHICH IS SOUTH 00°26'30" WEST.

EXCEPTING THEREFROM THAT PORTION DESCRIBED AS FOLLOWS:

A PARCEL OF LAND WITHIN THE NORTHWEST QUARTER (NW1/4) OF THE SOUTHWEST QUARTER (SW1/4) OF SECTION 31, TOWNSHIP 1 NORTH, RANGE 69 EAST, M.D.B.&M., DESCRIBED AS FOLLOWS:

BEGINNING AT THE WEST QUARTER (W1/4) CORNER OF SAID SECTION 31, MARKED BY A BRASS CAP;

THENCE SOUTH 89°20'30" EAST, ALONG THE QUARTER SECTION LINE 860.79 FEET TO THE NORTHWEST (NW) CORNER OF SAID PARCEL ONE (1), OR THE TRUE POINT OF BEGINNING;

THENCE CONTINUING SOUTH 89°20'30" EAST ALONG SAID QUARTER (1/4) SECTION LINE 208.71 FEET TO THE NORTHEAST (NE) CORNER;

THENCE SOUTH 00°39'30" WEST, 208.71 FEET TO THE SOUTHEAST (SE) CORNER;

THENCE NORTH 89°20'30" WEST, 208.71 FEET TO THE SOUTHWEST (SW) CORNER;

THENCE NORTH 00°39'30" EAST, 208.71 FEET TO THE NORTHEAST (NE) CORNER OR PLACE OF BEGINNING.

AND FURTHER EXCEPTING THEREFROM THAT PORTION DESCRIBED AS FOLLOWS:

A PARCEL OF LAND SITUATE WITHIN THE SOUTHWEST QUARTER (SW1/4) OF SECTION 31, TOWNSHIP 1 NORTH, RANGE 69 EAST, M.D. & M., BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS, TO WIT:

BEGINNING AT THE MOST WESTERLY POINT OF THIS PARCEL ON THE SOUTHEASTERLY SIDE OF THE COUNTY ROAD AT A POINT FROM WHICH THE WEST 1/4 CORNER OF SAID SECTION 31, TOWNSHIP 1 NORTH, RANGE 69 EAST, M.D.B.&M., BEARS NORTH 46°27'55" WEST, A DISTANCE OF 488.82 FEET;

THENCE NORTH 48°54'11" EAST, A DISTANCE OF 286.45 FEET TO THE MOST NORTHERLY POINT;

THENCE SOUTH 45°48'33" EAST, A DISTANCE OF 389.85 FEET TO THE MOST EASTERLY POINT OF THIS PARCEL;

THENCE SOUTH 45°45'43" WEST, A DISTANCE OF 373.34 FEET TO THE MOST SOUTHERLY POINT;

THENCE NORTH 48°56'03" WEST, A DISTANCE OF 296.86 FEET TO A POINT;

THENCE NORTH 20°46'12" EAST, A DISTANCE OF 68.29 FEET TO A POINT;

THENCE NORTH 18°25'12" WEST, A DISTANCE OF 89.64 FEET TO THE POINT OF BEGINNING. SAID PROPERTY ALSO DESCRIBED AS:

A PARCEL OF LAND SITUATED WITHIN THE NORTHWEST QUARTER (NW1/4) OF THE SOUTHWEST QUARTER (SW1/4) OF SECTION 31, TOWNSHIP 1 NORTH, RANGE 69 EAST M.D.B.&M., MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWESTERLY CORNER OF THIS PARCEL AT A POINT MARKED BY A REBAR/CAP "HULSE PLS 6498" FROM WHICH THE WEST QUARTER CORNER OF SAID SECTION 31 (A BLM BRASS CAP DATED 1974) BEARS NORTH 45°37'59" WEST, 477.66 FEET;

THENCE ALONG THE SOUTHERLY SIDE OF THE PAVED ECHO DAM ROAD, NORTH 49°48'42" EAST, 287.87 FEET TO A REBAR/CAP MARKED "HULSE PLS 6498";

THENCE SOUTH 44°46'34" EAST, 389.36 FEET TO A REBAR/CAP MARKED "PLS 12751";

THENCE SOUTH 46°35'40" WEST, 373.34 FEET TO A REBAR/CAP MARKED "PLS 12751";

THENCE NORTH 48°06'08" WEST, 296.86 FEET TO A REBAR/CAP MARKED "PLS 12751";

(One Inch Margin on all sides of Document for Recorder's Use only)



THENCE NORTH 20°46'12" EAST, 68.29 FEET TO A REBAR/CAP MARKED "PLS 12751";
THENCE NORTH 17°05'56" WEST, 89.01 FEET TO THE POINT OF BEGINNING.
THE BASIS OF BEARINGS BEING NORTH 0°26'30" EAST, AS THE NORTH-SOUTH CENTERLINE
OF SAID SECTION 31 AS RECORDED ON THE DRY VALLEY TRACT PLAT A, PAGE 160 OF
LINCOLN COUNTY RECORDS.

AND FURTHER EXCEPTING THEREFROM PARCELS C AND D OF PARCEL MAP FOR JOHN L. AND
DONNENE C. MATHEWS RECORDED MAY 28, 2002 IN PLAT BOOK B, PAGE 434 AS FILE 118205.
NOTE: THE ABOVE METES AND BOUNDS LEGAL DESCRIPTION APPEARED PREVIOUSLY IN THAT
CERTAIN DOCUMENT RECORDED DECEMBER 29, 2004 IN BOOK 195, PAGE 148 AS
INSTRUMENT NO. 123581 OF OFFICIAL RECORDS.

AND FURTHER EXCEPTING THEREFROM THAT PORTION DESCRIBED IN DEED RECORDED
OCTOBER 13, 1989 IN BOOK 87, PAGES 429B AND 430B AS INSTRUMENT NO. 92457 OF
OFFICIAL RECORDS;

AND FURTHER EXCEPTING THEREFROM PARCELS 1 AND 2, OF PARCEL MAP FOR JOHN AND
DONNENE MATHEWS, RECORDED MARCH 25, 2005 IN BOOK .C., PAGE 108, OF PLATS, AS FILE
NO. 124121.

PARCEL II:

THAT PORTION OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER (SE1/4 NE1/4)
AND THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER (NE1/4 SE1/4) OF SECTION 6,
LYING EAST OF THE MEADOW VALLEY WASH CHANNEL, AND THAT PORTION OF THE
SOUTHWEST QUARTER OF THE NORTHWEST QUARTER (SW1/4 NW1/4) OF SECTION 5, ALL IN
TOWNSHIP 1 SOUTH, RANGE 69 EAST, M.D.B.&M., SITUATE SOUTH OF THE MEADOW VALLEY
WASH CHANNEL IN WHAT IS KNOWN AS DRY VALLEY, LINCOLN COUNTY, NEVADA.

*REFERENCE BEING MADE TO RECORD OF SURVEY, RECORDED JANUARY 5, 1999, IN BOOK B,
PAGE 180 OF PLATS, AS FILE NO. 112126, LINCOLN COUNTY, NEVADA.

PARCEL III:

PARCELS 1B, 1C, 1D, AS SHOWN ON PARCEL MAP FOR JOHN G. & TERESA A. WILCOCK, FILED
IN THE OFFICE OF THE COUNTY RECORDER OF LINCOLN COUNTY ON MAY 20, 2002, IN BOOK
"B", PAGE 430, OF PLATS, AS FILE NO. 118167, LOCATED IN A PORTION OF THE SOUTHWEST
QUARTER (SW1/4) OF THE NORTHEAST QUARTER (NE1/4) OF SECTION 31, TOWNSHIP 1
NORTH, RANGE 69 EAST, MDB&M.

PARCEL IV:

THAT PORTION OF THE NORTHWEST QUARTER (NW1/4) OF THE SOUTHWEST QUARTER
(SW1/4) OF SECTION 31, TOWNSHIP 1 NORTH, RANGE 69 EAST, M.D.B.&M., LINCOLN COUNTY,
NEVADA, DESCRIBED AS FOLLOWS:

PARCEL D OF PARCEL MAP FOR JOHN L. AND DONNENE C. MATHEWS, RECORDED MAY 28,
2002 IN PLAT BOOK B, PAGE 434, AS FILE 118205.

PARCEL V:

PARCELS 1 AND 2, AS SHOWN ON PARCEL MAP FOR JOHN AND DONNENE MATHEWS, FILED IN
THE OFFICE OF THE COUNTY RECORDER OF LINCOLN COUNTY ON MARCH 25, 2005 IN BOOK
.C., PAGE 108, OF PLATS, AS FILE NO. 124121, LOCATED IN A PORTION OF THE WEST HALF
(W1/2) OF THE NORTHWEST QUARTER (NW1/4) OF SECTION 32, TOWNSHIP 1 NORTH, RANGE
69 EAST, M.D.B. &M.

PARCEL VI:

PARCEL 1A, AS SHOWN ON PARCEL MAP FOR JOHN G. & TERESA A. WILCOCK, FILED IN THE
OFFICE OF THE COUNTY RECORDER OF LINCOLN COUNTY ON MAY 20, 2002, IN BOOK "B",
PAGE 430, OF PLATS, AS FILE NO. 118167, LOCATED IN A PORTION OF THE SOUTHWEST
QUARTER (SW1/4) OF THE NORTHEAST QUARTER (NE1/4) OF SECTION 31, TOWNSHIP 1
NORTH, RANGE 69 EAST, MDB&M.

PROMISSORY NOTE

\$581,347.00

September 26, 2008
Nevada

For value received, Charles Mathews, Truman Mathews and Lee Mathews, and TLC Transport, and Star Logistics ("maker"), promise to pay to the order of Ross A. Kline and Kline Family Trust ("holder" or "payee") at 14331 Lear Boulevard, Reno, Nevada 89506, the principal sum of Five Hundred Eighty One Thousand Three Hundred Forty Seven and 00/100 (\$581,347.00) together with interest at the rate of seven and five hundredths percent (7.5%) per annum on the declining principal balance from the date hereof.

Principal and interest are payable as follows:

1. Equal monthly installments of principal and accrued interest in the amount of Eight Thousand Nine Hundred Sixteen Dollars and 86/100 (\$8,916.86) shall commence on October 26, 2008 and continue on the same date of month thereafter up to and including September 26, 2015, which is the date the entire remaining balance of principal and accrued interest is due and payable in full.

2. Interest and all or any portion of the unpaid principal balance may be prepaid at any time without penalty. Any prepayments of principal shall be applied against the outstanding principal balance of this Promissory Note and shall not extend or postpone the due date of any subsequent regular weekly installments or change the amounts thereof unless otherwise agreed upon in writing by the holder.

3. All payments made under this Promissory Note shall first be applied against accrued interest with the balance of each payment, if any, applied to the unpaid principal balance.

This Promissory Note is secured by a Deed of Trust Agreement, dated effective as of the date of this Promissory Note.

If a payment required under this Promissory Note is not made within fifteen (15) days from the date it is due, then default in payment will be deemed to occur. Provided further, any payment made under the Note which is more than 15 days past due shall include a late charge of five percent (5%) of the payment amount plus twelve percent (12%) interest on the past due amount from the original due date of such payment until full payment. The maker promises and agrees that if a default occurs in the payment of any sum required hereunder, or if the maker becomes insolvent, makes a general assignment for the benefit of creditors, or is adjudged bankrupt, then the unpaid principal balance and accrued interest shall, at the option of the holder of this Promissory Note, become immediately due and payable although the time of maturity as expressed in this Promissory Note may not have then arrived.

If a default occurs under the terms of this Promissory Note, or the Deed of Trust Agreement, the maker agrees to pay all costs, including reasonable attorney's fees, incurred in the collection of any unpaid amounts.



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Holder shall not by any act of omission or commission be deemed to waive any of his rights or remedies hereunder unless such waiver be in writing and signed by the Holder and then only to the extent specifically set forth therein; a waiver of one event shall not be construed as continuing or as a bar to or waiver of such right to remedy on a subsequent event.

The maker waives presentment for payment, demand, notice, protest, notice of protest, diligence, and non-payment of this Promissory Note, and all defenses on the ground of any extension of time for payment that may be given by the holder to him.

MAKER:

Charles Mathews

By *Charles Mathews*
Charles Mathews

Truman Mathews

By *[Signature]*
Truman Mathews

Lee Mathews

By *Lee Mathews*
Lee Mathews

TLC Transport

By *[Signature]*
Truman Mathews

Star Logistics

By *[Signature]*
Truman Mathews

PAYEE:

By *RA*
Ross A. Kline



Pledge Agreement

Debtor Information

Debtor is Charles Mathews, Truman Mathews and Lee Mathews, and TLC Transport, and Star Logistics

Creditor Information

Creditor is Ross A. Kline and Kline Family Trust.

Definitions:

- a. "Collateral" means Debtor's interest in and to "Short Form Deed of Trust encumbering property described in Exhibit One".
- b. "Secured Party" means Ross A. Kline and the Kline Family Trust.
- c. "Indebtedness" means debtor's obligation to Secured Party, consisting of "the sum of \$581,347.00, per a promissory note attached to this Pledge Agreement as Exhibit A".
- d. "Lien" means any security interest, mortgage, pledge, lien, attachment, claim, charge, encumbrance, or agreement retaining title covering the Collateral.
- e. "Obligations" means the Indebtedness, and any later loans to Secured Party which recite within its terms that such later loan is secured by this Pledge Agreement, including attorneys' fees incurred by secured party in enforcing this Pledge Agreement or collecting payment under it.

Consent to Pledge:

John Mathews and Donnene Mathews (Flatnose Ranch) give consent to pledge of property secured by certain Short Form Deed in Exhibit A.

Signing Information / Governing State:

This Agreement is signed in Reno, Nevada.

This Pledge Agreement will be governed by the law of the State of Nevada



EXHIBIT "A"

John L. Mathews and Donnene C. Mathews, husband and wife as community property with right of survivorship as to an undivided 1/2 interest and Lee R. Mathews and ShaRee B. Mathews, husband and wife as community property with right of survivorship as to an undivided 1/2 interest, as to Parcel Nos. I, II, III, IV, V, VI

The land referred to in this Deed of Trust is situated in the County of Lincoln, State of Nevada, and is described as follows:

PARCEL I:

THE POINT OF BEGINNING IS A STEEL FENCE POST LOCATED ON THE MOUNT DIABLO BASELINE, OR AT A POINT FROM WHICH THE SOUTH QUARTER (S1/4) CORNER OF SECTION 36, TOWNSHIP 1 NORTH, RANGE 68 EAST, BEARS DUE WEST 1690.75 FEET (MARKED BY A B.L.M. BRASS CAP DATED 1971 BY THE U.S. COAST AND GEODETIC SURVEY);

THENCE SOUTH 26°08' WEST, 393 FEET MORE OR LESS TO A STEEL FENCE POST;

THENCE SOUTH 63°08' EAST, 1570 FEET MORE OR LESS TO A STEEL FENCE POST;

THENCE SOUTH 26°52' WEST, 77 FEET MORE OR LESS TO A STEEL FENCE POST;

THENCE SOUTH 63°08' EAST, 125 FEET MORE OR LESS TO THE CENTER OF THE MEADOW VALLEY FLOOD CHANNEL;

THENCE NORTHEAST ALONG SAID FLOOD CHANNEL TO A POINT WHERE IT INTERSECTS THE (PROLONGATION OF THE) EAST LINE OF LOT 4, LOCATED WITHIN THE NW1/4 OF SECTION 5, TOWNSHIP 1 SOUTH, RANGE 69 EAST, OR AT A POINT IN THE CENTER OF THE FLOOD CHANNEL APPROXIMATELY 750 FEET SOUTH OF THE MOUNT DIABLO BASELINE

THENCE NORTH 750 FEET MORE OR LESS TO THE NORTHEAST CORNER OF SAID LOT 4 ON SAID BASELINE;

THENCE EAST ALONG THE SAID BASELINE 930 FEET MORE OR LESS TO THE SOUTH QUARTER (S1/4) CORNER SECTION 31 (TOWNSHIP 1 NORTH, RANGE 69 EAST) MARKED BY A B.L.M. BRASS CAP DATED 1974;

**THENCE CONTINUING "EAST" (SOUTH 89°46'13" EAST) ALONG SAID BASELINE 520.43 FEET *;

THENCE NORTH 03°43'51" EAST, 731.32 FEET *;

THENCE NORTH 37°37'24" WEST, 261.41 FEET *;

THENCE NORTH 51°22'05" EAST, 1818.92 FEET *;

THENCE NORTH 56°11'13" EAST, 1837.92 FEET * AT THE SOUTHEAST CORNER OF A CONCRETE WELL PUMP BASE;

THENCE NORTH 56°43'07" EAST, 744.95 FEET TO THE EAST LINE OF THE W1/2 NW1/4 SECTION 32 *;

THENCE NORTH 00°21'08" EAST, ** 995 FEET MORE OR LESS ALONG THE SAID EAST LINE TO THE CENTER OF THE MEADOW VALLEY FLOOD CHANNEL;

THENCE WESTERLY 1320 FEET MORE OR LESS ALONG SAID FLOOD CHANNEL TO A POINT ON THE WEST LINE OF THE NW1/4 NW1/4 OF SAID SECTION 32;

THENCE SOUTHWESTERLY 1130 FEET MORE OR LESS ALONG SAID FLOOD CHANNEL TO THE SOUTH LINE OF THE NE1/4 NE1/4 OF SECTION 31, TOWNSHIP 1 NORTH, RANGE 69 EAST;

THENCE WEST 250 FEET MORE OR LESS ALONG THE SOUTH LINE TO THE SOUTHWEST CORNER OF THE NE1/4 NE1/4 OF SECTION 31;

THENCE SOUTH 130 FEET MORE OR LESS TO THE CENTER OF THE FLOOD CHANNEL;

THENCE SOUTHWESTERLY 1650 FEET MORE OR LESS TO THE NORTH LINE OF THE NW1/4 SE1/4 SECTION 31;

THENCE WEST 2800 FEET MORE OR LESS TO THE NORTHWEST CORNER OF THE NW1/4 SW1/4 SECTION 31, AT THE RANGE 68 EAST/RANGE 69 EAST, RANGE LINE AT WHICH POINT IS A B.L.M. BRASS CAP MARKED "1/4 SOUTH 36, RANGE 68 EAST/SOUTH 31, RANGE 69 EAST, 1974";

THENCE SOUTH 1320 FEET MORE OR LESS TO THE NORTHWEST CORNER OF THE SW1/4



SW1/4 SECTION 31;

THENCE WEST 316 FEET MORE OR LESS ALONG THE NORTH LINE OF THE SE1/4 SE1/4 SECTION 36 (TOWNSHIP 1 NORTH, RANGE 68 EAST);

THENCE SOUTH 26°08' WEST, 1470 FEET MORE OR LESS TO THE POINT OF BEGINNING.

**DISTANCES AND BEARINGS WITHIN DOUBLE ASTERISCS ARE MEASURED BASIS OF BEARINGS

OF MEASURED LINES IS THE N-S CENTERLINE OF SECTION 31, TOWNSHIP 1 NORTH, RANGE 69 EAST, M.D.B.&M., WHICH IS SOUTH 00°26'30" WEST.

EXCEPTING THEREFROM THAT PORTION DESCRIBED AS FOLLOWS:

A PARCEL OF LAND WITHIN THE NORTHWEST QUARTER (NW1/4) OF THE SOUTHWEST QUARTER (SW1/4) OF SECTION 31, TOWNSHIP 1 NORTH, RANGE 69 EAST, M.D.B.&M., DESCRIBED AS FOLLOWS:

BEGINNING AT THE WEST QUARTER (W1/4) CORNER OF SAID SECTION 31, MARKED BY A BRASS CAP;

THENCE SOUTH 89°20'30" EAST, ALONG THE QUARTER SECTION LINE 860.79 FEET TO THE NORTHWEST (NW) CORNER OF SAID PARCEL ONE (1), OR THE TRUE POINT OF BEGINNING;

THENCE CONTINUING SOUTH 89°20'30" EAST ALONG SAID QUARTER (1/4) SECTION LINE 208.71 FEET TO THE NORTHEAST (NE) CORNER;

THENCE SOUTH 00°39'30" WEST, 208.71 FEET TO THE SOUTHEAST (SE) CORNER;

THENCE NORTH 89°20'30" WEST, 208.71 FEET TO THE SOUTHWEST (SW) CORNER;

THENCE NORTH 00°39'30" EAST, 208.71 FEET TO THE NORTHEAST (NE) CORNER OR PLACE OF BEGINNING.

AND FURTHER EXCEPTING THEREFROM THAT PORTION DESCRIBED AS FOLLOWS:

A PARCEL OF LAND SITUATE WITHIN THE SOUTHWEST QUARTER (SW1/4) OF SECTION 31, TOWNSHIP 1 NORTH, RANGE 69 EAST, M.D. & M., BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS, TO WIT;

BEGINNING AT THE MOST WESTERLY POINT OF THIS PARCEL ON THE SOUTHEASTERLY SIDE OF THE COUNTY ROAD AT A POINT FROM WHICH THE WEST 1/4 CORNER OF SAID SECTION 31, TOWNSHIP 1 NORTH, RANGE 69 EAST, M.D.B.&M., BEARS NORTH 46°27'55" WEST, A DISTANCE OF 488.82 FEET;

THENCE NORTH 48°54'11" EAST, A DISTANCE OF 286.45 FEET TO THE MOST NORTHERLY POINT;

THENCE SOUTH 45°48'33" EAST, A DISTANCE OF 389.85 FEET TO THE MOST EASTERLY POINT OF THIS PARCEL;

THENCE SOUTH 45°45'43" WEST, A DISTANCE OF 373.34 FEET TO THE MOST SOUTHERLY POINT;

THENCE NORTH 48°56'03" WEST, A DISTANCE OF 296.86 FEET TO A POINT;

THENCE NORTH 20°46'12" EAST, A DISTANCE OF 68.29 FEET TO A POINT;

THENCE NORTH 18°25'12" WEST, A DISTANCE OF 89.64 FEET TO THE POINT OF BEGINNING.

SAID PROPERTY ALSO DESCRIBED AS:

A PARCEL OF LAND SITUATED WITHIN THE NORTHWEST QUARTER (NW1/4) OF THE SOUTHWEST QUARTER (SW1/4) OF SECTION 31, TOWNSHIP 1 NORTH, RANGE 69 EAST M.D.B.&M., MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWESTERLY CORNER OF THIS PARCEL AT A POINT MARKED BY A REBAR/CAP "HULSE PLS 6498" FROM WHICH THE WEST QUARTER CORNER OF SAID SECTION 31 (A BLM BRASS CAP DATED 1974) BEARS NORTH 45°37'59" WEST, 477.66 FEET;

THENCE ALONG THE SOUTHERLY SIDE OF THE PAVED ECHO DAM ROAD, NORTH 49°48'42" EAST, 287.87 FEET TO A REBAR/CAP MARKED "HULSE PLS 6498";

THENCE SOUTH 44°46'34" EAST, 389.36 FEET TO A REBAR/CAP MARKED "PLS 12751";

THENCE SOUTH 46°35'40" WEST, 373.34 FEET TO A REBAR/CAP MARKED "PLS 12751";

THENCE NORTH 48°06'08" WEST, 296.86 FEET TO A REBAR/CAP MARKED "PLS 12751";

THENCE NORTH 20°46'12" EAST, 68.29 FEET TO A REBAR/CAP MARKED "PLS 12751";

THENCE NORTH 17°05'56" WEST, 89.01 FEET TO THE POINT OF BEGINNING.

THE BASIS OF BEARINGS BEING NORTH 0°26'30" EAST, AS THE NORTH-SOUTH CENTERLINE



OF SAID SECTION 31 AS RECORDED ON THE DRY VALLEY TRACT PLAT A, PAGE 160 OF LINCOLN COUNTY RECORDS.
AND FURTHER EXCEPTING THEREFROM PARCELS C AND D OF PARCEL MAP FOR JOHN L. AND DONNENE C. MATHEWS RECORDED MAY 28, 2002 IN PLAT BOOK B, PAGE 434 AS FILE 118205.
NOTE: THE ABOVE METES AND BOUNDS LEGAL DESCRIPTION APPEARED PREVIOUSLY IN THAT CERTAIN DOCUMENT RECORDED DECEMBER 29, 2004 IN BOOK 195, PAGE 148 AS INSTRUMENT NO. 123581 OF OFFICIAL RECORDS.
AND FURTHER EXCEPTING THEREFROM THAT PORTION DESCRIBED IN DEED RECORDED OCTOBER 13, 1989 IN BOOK 87, PAGES 429B AND 430B AS INSTRUMENT NO. 92457 OF OFFICIAL RECORDS;
AND FURTHER EXCEPTING THEREFROM PARCELS 1 AND 2, OF PARCEL MAP FOR JOHN AND DONNENE MATHEWS, RECORDED MARCH 25, 2005 IN BOOK .C., PAGE 108, OF PLATS, AS FILE NO. 124121.

PARCEL II:

THAT PORTION OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER (SE1/4 NE1/4) AND THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER (NE1/4 SE1/4) OF SECTION 6, LYING EAST OF THE MEADOW VALLEY WASH CHANNEL, AND THAT PORTION OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER (SW1/4 NW1/4) OF SECTION 5, ALL IN TOWNSHIP 1 SOUTH, RANGE 69 EAST, M.D.B.&M., SITUATE SOUTH OF THE MEADOW VALLEY WASH CHANNEL IN WHAT IS KNOWN AS DRY VALLEY, LINCOLN COUNTY, NEVADA.
*REFERENCE BEING MADE TO RECORD OF SURVEY, RECORDED JANUARY 5, 1999, IN BOOK B, PAGE 180 OF PLATS, AS FILE NO. 112126, LINCOLN COUNTY, NEVADA.

PARCEL III:

PARCELS 1B, 1C, 1D, AS SHOWN ON PARCEL MAP FOR JOHN G. & TERESA A. WILCOCK, FILED IN THE OFFICE OF THE COUNTY RECORDER OF LINCOLN COUNTY ON MAY 20, 2002, IN BOOK "B", PAGE 430, OF PLATS, AS FILE NO. 118167, LOCATED IN A PORTION OF THE SOUTHWEST QUARTER (SW1/4) OF THE NORTHEAST QUARTER (NE1/4) OF SECTION 31, TOWNSHIP 1 NORTH, RANGE 69 EAST, MDB&M.

PARCEL IV:

THAT PORTION OF THE NORTHWEST QUARTER (NW1/4) OF THE SOUTHWEST QUARTER (SW1/4) OF SECTION 31, TOWNSHIP 1 NORTH, RANGE 69 EAST, M.D.B.&M., LINCOLN COUNTY, NEVADA, DESCRIBED AS FOLLOWS:
PARCEL D OF PARCEL MAP FOR JOHN L. AND DONNENE C. MATHEWS, RECORDED MAY 28, 2002 IN PLAT BOOK B, PAGE 434, AS FILE 118205.

PARCEL V:

PARCELS 1 AND 2, AS SHOWN ON PARCEL MAP FOR JOHN AND DONNENE MATHEWS, FILED IN THE OFFICE OF THE COUNTY RECORDER OF LINCOLN COUNTY ON MARCH 25, 2005 IN BOOK .C., PAGE 108, OF PLATS, AS FILE NO. 124121, LOCATED IN A PORTION OF THE WEST HALF (W1/2) OF THE NORTHWEST QUARTER (NW1/4) OF SECTION 32, TOWNSHIP 1 NORTH, RANGE 69 EAST, M.D.B. &M.

PARCEL VI:

PARCEL 1A, AS SHOWN ON PARCEL MAP FOR JOHN G. & TERESA A. WILCOCK, FILED IN THE OFFICE OF THE COUNTY RECORDER OF LINCOLN COUNTY ON MAY 20, 2002, IN BOOK "B", PAGE 430, OF PLATS, AS FILE NO. 118167, LOCATED IN A PORTION OF THE SOUTHWEST QUARTER (SW1/4) OF THE NORTHEAST QUARTER (NE1/4) OF SECTION 31, TOWNSHIP 1 NORTH, RANGE 69 EAST, MDB&M.



IN WITNESS WHEREOF the Guarantor has duly affixed its signature under hand and seal on this 26th day of September, 2008.

SIGNED, SEALED OR ATTESTED
in the presence of:

John Mathews
Donnene Mathews (seal)
John Mathews
Donnene Mathews

Kathryn Eveland Koon
Notary Public for the State of Nevada
In the County of Washoe
My commission expires 6/7/2009

CERTIFICATE OF NOTARY PUBLIC

I, Kathryn Eveland Koon a Notary Public in and for the said State of Nevada, DO HEREBY CERTIFY that John Mathews and Donnene Mathews, personally known to me (or satisfactorily proven) to be the same person whose name is subscribed to the foregoing Guarantee, appeared before me this day in person, and acknowledged that he/she signed, sealed and delivered the said instrument as his/her free and vocabulary act, for the uses and purposes set forth in this Guarantee.

Given under my hand and notarial seal this 26th day of September, 2008.

Kathryn Eveland Koon Notary Public
My Commission Expires: 6/7/09



John Mathews
John Mathews

Donnene Mathews
Donnene Mathews