

LINCOLN COUNTY, NV  
Rec:\$35.00  
Total:\$35.00  
COW COUNTY TITLE

2018-155427

11/21/2018 02:18 PM

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APN: 013-030-18; 013-030-21; 013-160-02;  
013-160-03; and 013-160-63

ESCROW NO. Cow County Title 80172

MAIL TAX STATEMENTS AND  
WHEN RECORDED RETURN TO:

3J Cattle, LLC  
Po Box 749  
Caliente, Nevada 89008



OFFICIAL RECORD  
LESLIE BOUCHER, RECORDER

**DEED OF TRUST WITH ASSIGNMENT OF LEASES AND RENTS, SECURITY  
AGREEMENT AND FIXTURE FILING**

**THIS DEED OF TRUST**, made this 16th day of November, 2018, by and between Hydroponics, Inc., a California corporation, whose business address is 3811 Wacker Drive, Mira Loma, California 91742, herein called "Trustor," Cow County Title Co., whose business address is 328 Main Street, Pioche, NV 89043, herein called "Trustee," and 3J Cattle LLC, a Nevada limited liability company, whose business address is PO Box 749, Caliente, NV 89008, herein called "Beneficiary."

**WITNESSETH:**

Trustor does hereby grant, bargain and convey unto Trustee, in trust, with power of sale, all that certain real property together with all appurtenances including, without limitation, all water rights, described as follows (the "Property"):

See Exhibit A

**TO HAVE AND TO HOLD** the same unto the Trustee, its successors and assigns, for the purpose of securing:

1. Performance of each agreement of Trustor contained in this Deed of Trust;
2. Payment of the indebtedness evidenced by one Promissory Note dated November 16, 2018, in the maximum principal sum of ONE MILLION FIFTY THOUSAND AND 00/100 DOLLARS (\$1,050,000.00) and payable by Trustor to Beneficiary or order (the "Note") and all advancements and future advancements made pursuant thereto, and this Deed of Trust shall be governed by the applicable provisions of NRS 106.300 to 106.400, as those provisions may be amended, from time to time;
3. Payment of all amounts due and owing, and any interest on any amounts arising under the Note, this Deed of Trust, or any other advancement or cost paid by Beneficiary in its sole discretion to protect their position in this Deed of Trust, including, without limitation, real

or personal property taxes, fees, charges, assessments, or any amounts reflected in a lien filed or recorded against the Property, and without further limitation, other sums with interest thereon becoming due or payable under the provisions of this Deed of Trust to either Trustee or to Beneficiary;

4. Payment of additional sums and interest thereon, which may hereafter be loaned to Trustor, or his successors or assigns, when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust executed and acknowledged at a time when the maker thereof is the only or one of the fee owners of record of the Property.

Trustor further covenants and agrees as follows:

1. Trustor shall pay when due all claims for labor performed and materials furnished for any construction, alteration or repair on the Property, comply with all laws affecting the Property or relating to any alterations or improvements that may be made on it. Trustor shall not commit or permit waste on the Property and shall not commit, suffer or permit any acts upon the Property in violation of any law, covenant, condition or restriction affecting the Property. Trustor shall keep the Property in good condition and repair and shall not remove or demolish any building or other improvements on the Property. Trustor shall complete or restore promptly and in good and workmanlike manner any building or other improvements that may be constructed, damaged or destroyed on the Property.
2. Trustor shall provide, maintain and deliver to Beneficiary property, casualty and liability insurance with extended coverage endorsement insuring any and all improvements upon the Property in a company satisfactory to Beneficiary. Coverage shall be in the minimum amount of \$1,000,000 per occurrence and an aggregate amount of \$2,000,000. The policies shall be payable, in case of loss, to Beneficiary. Beneficiary may procure such insurance and may pay and expend for premiums for such insurance such sums of money as Beneficiary may deem necessary. Such insurance shall be written with replacement cost endorsement and shall be in the amount of not less than three times the Lincoln County Assessor's assessed value of the Property as of the date hereof.
3. The following covenants, Nos. 1, 3, 4 (interest at five percent per annum (5.00%)), 5, 6, 7 (counsel fees one percent (1.00%)), 8 and 9 of the Nevada Revised Statutes 107.030 are hereby adopted and made a part of this Deed of Trust.
4. Should Trustor fail to make any payment under the Note or to do any act provided in this Deed of Trust, then Beneficiary or Trustee, without obligation to do so, and with notice to or demand upon Trustor, and without releasing Trustor from any obligation hereof, may: (a) make or do the same in such manner and to such extent as either may deem necessary to protect the security of this Deed of Trust, Beneficiary or Trustee being authorized to enter upon the Property for such purposes; (b) appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; (c) pay, purchase, contest or comprise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior to this Deed of Trust; and (d) in exercising any such power, pay necessary expenses, employ counsel and pay his reasonable fees.

5. Trustor shall pay all reasonable costs, charges and expenses, including attorney fees, reasonably incurred or paid at any time by the Beneficiary, because of the failure on the part of the Trustor to perform, comply with, and abide by each and every stipulation, agreement, condition, and covenant of this Deed of Trust and any promissory note or other obligation secured by this Deed of Trust.
6. Any award of damages in connection with any condemnation for public use of or injury to the Property or any part thereof is hereby assigned and shall be paid to Beneficiary. The condemnation award shall be applied by the Beneficiary to the indebtedness secured hereby in such order as the Beneficiary may determine, and when such indebtedness has been satisfied, the balance of such award shall be released to the Trustor.
7. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive the right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.
8. Trustor hereby assigns to the Trustee any and all rents, issues and profits of the Property and hereby authorizes the Trustee, without waiving or affecting the right to foreclosure or any other right hereunder, to take possession of the Property, or any part thereof, and to rent the Property for the account of the Trustor and to sue for or otherwise collect said rents, issues and profits, including those past due and unpaid, and apply the same, less the cost and expenses of operation and collection, including reasonable attorney fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine at Beneficiary's sole discretion. However, Trustor reserves the license to, prior to any default by Trustor in the payment of any indebtedness secured by this Deed of Trust, or in the performance of any agreement herein or secured hereby, to collection and retain such rents, issues and profits.
9. The entering upon and taking possession of the Property, the collection of such rents, issues and profits, or the proceeds of fire and other insurance policies, or compensation or awards for any taking or damage of the property, and the application or release thereof as provided above, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.
10. The lien of this instrument shall remain in full force and effect during any postponement or extension of the time of repayment of the indebtedness or any part thereof secured hereby. The Beneficiary may, without notice to or consent of Trustor, extend the time of payment or change any of the other terms and conditions of an indebtedness owed to Beneficiary by any successor in interest of the Trustor, without discharging the Trustor from any liability on any indebtedness owed by Trustor to Beneficiary or any liability or obligation of Trustor pursuant to this Deed of Trust.
11. The rights and remedies hereby granted shall not exclude any other rights or remedies granted by law, and all rights and remedies granted hereunder or permitted by law shall be concurrent and cumulative.

12. Upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed of Trust and the note or notes secured hereby to the Trustee for cancellation and retention upon payment of its fees, the Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in any reconveyance executed under this Deed of Trust or any matters or facts therein shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as the “person or persons legally entitled thereto.”
13. It is expressly agreed that the trusts created hereby are irrevocable by the Trustor.
14. The benefits of the covenants, terms and conditions and agreements herein contained shall accrue to, and the obligations hereof shall bind the heirs, representatives, successors and assigns of all the parties hereto and the Beneficiary hereof. Whenever used, the singular number shall include the plural, the plural the singular and the use of any gender shall include all other genders; and the term, “Beneficiary” shall include any payee of the indebtedness hereby secured or any transferee thereof, whether by operation of law or otherwise.
15. The parties intend for this Deed of Trust to create a lien on and security interest in all of Trustor’s right, title and interest in and to all improvements now or hereafter located on the real Property, including without limitation, water rights and permits and any appurtenances related to or used in connection with making beneficial use of the water.
16. Trustor understands that water rights in Nevada are managed by the Nevada Division of Water Resources and that is an additional obligation of Trustor under this Deed of Trust to keep and preserve all water rights in good standing at all times during the term and pendency of this Deed of Trust. Trustor shall use its best efforts to put the water rights to beneficial use at all times and shall file all reports, logs, and other information requests or filings, with the Nevada Division of Water Resources in a timely, non-delinquent manner and shall provide a copy of all such filings, reports, logs and other information requests including a “received by date stamped copy from the Division of Water Resources, to Beneficiary on or before the date any such report, log, or other information request was due. Any failure to comply with this provision shall constitute an immediate event of default and entitle Beneficiary to commence a trustee sale action.

Trustor hereby authorizes Beneficiary to file one or more financing statements and such other documents as Beneficiary may from time to time require to perfect or continue the perfection of Beneficiary’s security interest in any Property, rents or leases. Trustor shall pay all fees and costs that Beneficiary may incur in filing such documents in public offices and in obtaining such record searched as Beneficiary may reasonably require. If Trustor fails to execute any financing statements or other documents for the perfection or continuation of any security interest, Trustor hereby appoints Beneficiary as its true and lawful attorney-in-fact (which appointment is irrevocable and coupled with an interest) to execute any such documents on its behalf. If any financing statement or other document is filed in the records normally pertaining to personal property, that filing shall never be

construed as in any way derogating from or impairing this Deed of Trust or the rights or obligations of the parties under it.

17. This Deed of Trust constitutes a financing statement filed as a fixture filing under NRS 104.9502 of the Nevada Uniform Commercial Code, as amended or recodified from time to time, covering domestic and irrigation wells and related equipment located on the Property that now is or later may become fixtures attached to the Property. In connection therewith, the addresses of Trustor, as debtor, and Beneficiary, as secured party, are as set forth in on the first page of this Deed of Trust. The foregoing address of Beneficiary, as secured party, is also the address from which information concerning the security interest may be obtained by any interested party. The property subject to this fixture filing is described in Section 15, above. Portions of the Property subject to this fixture filing as identified in this Section are or are to become fixtures related to the Property.
18. This Deed of Trust may not be assumed by any buyer from Trustor. Any attempted transfer of any interest in the Property (including, but not limited to possession or the granting of another deed of trust or other security interest in the Property) will constitute a default and Beneficiary may accelerate the entire balance of the indebtedness.
19. Any notices sent pursuant to any provision of this Deed of Trust shall be sent U.S. mail, certified, return receipt requests to the following parties at the indicated addresses:

(i) To Trustor:  
Hydroponics, Inc.  
3811 Wacker Drive  
Mira Loma, California 91742

(ii) To Beneficiary:  
3J Cattle LLC  
PO Box 749  
Caliente, NV 89008

With a copy to:

John M. Naylor, Esq.  
Naylor & Braster  
1050 Indigo Drive, Suite 200  
Las Vegas, NV 89145

(iii) To Trustee:  
Cow County Title Co.  
328 Main Street  
Pioche, NV 89043

IN WITNESS WHEREOF, the Trustor has caused this Deed of Trust to be executed as of the day and year first above written.

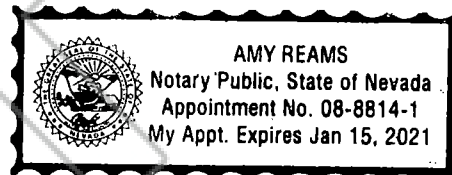
TRUSTOR:  
A HYDROPONICS, INC., A  
CALIFORNIA CORPORATION

By: *Brandon*  
Name: Brandon Burkhardt  
Title: President

STATE OF NEVADA  
COUNTY OF CLARK

THE FOREGOING INSTRUMENT was acknowledged before me this 16th day of November, 2018, by Brandon Burkhardt, as President of Hydroponics, Inc., a California corporation, on behalf of such entity, who is either (CHECK WHERE APPLICABLE)  personally known to me, or  has produced a California driver's license as identification.

Print name: Amy Reams Frye  
NOTARY PUBLIC  
My Commission Expires: Jan. 15, 2021



**EXHIBIT A**

**Legal Description of Real Property (attached)**

**AND**

**Water Rights**

All water, water rights, ditches and ditch rights, any permits, licenses, certificates or shares of stock evidencing any such water or ditch rights, and any such rights acquired in the future, which entitle Borrower to use the water for any purpose upon the Property. The above includes, but is not limited to the following:

**All water and water rights of every kind and nature, including but not limited to any and all water and water rights received from our distributed by State of Nevada Permit 82021 now owned or hereafter acquired by Trustor, whether such water and water rights are riparian, appropriative or otherwise and whether or not appurtenant to the real estate described on Exhibit A attached hereto, all ditch and ditch rights, and any shares of stock, licenses, permits and contracts evidencing such water or ditch rights and all wells, reservoirs, dams, embankments relating thereto, together with all replacements, substitutions, accessions thereto and proceeds derived therefrom.**

**[Remainder of Page Intentionally Left Blank]**

## LEGAL DESCRIPTION

The land referred to herein is described as follows:

All that certain real property situate in the County of Lincoln, State of Nevada, described as follows:

### PARCEL 1:

Those parcels of land situate in Sections 2 and 11, Township 3 South, Range 67 East, M.D.B. & M., more particularly described as follows:

The North Half (N1/2) of the Northeast Quarter (NE1/4) of Section 11;  
That portion of the Northeast Quarter (NE1/4) of the Northwest Quarter (NW1/4) of said Section 11, and the Southeast Quarter (SE1/4) of the Southwest Quarter (SW1/4) of said Section 2, lying and being East of the right of way of the Union Pacific Railroad Company and the Caliente and Pioche Railroad.

Also that certain parcel of land situate in the Southeast Quarter (SE1/4) of the Southwest Quarter (SW1/4) of Section 2; and the Northeast Quarter (NE1/4) of the Northwest Quarter (NW1/4) of Section 11; all in Township 3 South, Range 67 East, M.D.B. & M., more particularly described as follows:

Commencing at a point 325 feet West of the Northeast corner of the Southeast Quarter (SE1/4) of the Southwest Quarter (SW1/4) of Section 2;  
Thence running South 27°30' West, 1188.2 feet to the true point of beginning;  
Thence continuing South 27°30' West, 1070 feet;  
Thence North 930 feet;  
Thence North 22°26' East, 200 feet;  
Thence East 400 feet more or less, to the true point of beginning.

### PARCEL 2:

Situate in the Southwest Quarter (SW1/4) of the Southeast Quarter (SE1/4) of Section 2, Township 3 South, Range 67 East, M.D.B. & M., more particularly described as follows:

Beginning at the South One Quarter corner of Section 2, Township 3 South, Range 67 East, M.D.B. & M.;  
Thence North 0°17'06" West, a distance of 1313.65 feet;  
Thence East 382.00 feet;  
Thence South 0°22'08" West, a distance of 1313.38 feet;  
Thence North 89°42' West, a distance of 367.00 feet to the point of beginning.

### TOGETHER WITH THE REAL PROPERTY LOCATED WITHIN OR BETWEEN PARCELS ONE AND TWO ABOVE, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

Commencing at a found 3.25" diameter Bureau of Land Management brass Section Corner Monument stamped "T3S R63E S3 S2 S10 S11 1971" 7 inches above ground in stone mound with t-post;

Said point rests South 00°11'17" West, a distance of 2,645.96 feet from another found 3.25" diameter Bureau of Land Management brass Quarter Corner Monument stamped "1/4 S 3 S 2 1971" 4 inches above ground in stone mound;

Thence South 65°41'45" East, a distance of 1,487.69 feet, to a point of intersection with the former Westerly Railroad right of way and the Westerly boundary of that land defined as the McInnis Family Trust Record of Survey recorded January 2, 2015 in the Office of the County Recorder of Lincoln County, Nevada in Book D of Plats, page 143 as File No. 146538, Lincoln County, Nevada records, hereinafter referred to as McInnis Trust Boundary, said point is also on the West sixteenth line of Section 11, being **THE TRUE POINT OF BEGINNING**;

Thence North 26°59'41" East, a distance of 1,028.67 feet to a point of intersection with said former Westerly Railroad right of way and McInnis Trust Boundary;

Thence South 67°30'59" East, at right angles to U.S. Highway 93, a distance of 100.31 feet to a point on the centerline of the former Railroad right of way, said point marked with a 1.5" diameter aluminum monument stamped "Artisan PLS 9677 PCOR CL Row", said monument hereinafter referred to as Artisan Monument;

Thence North 26°59'41" East, a distance of 1,232.32 feet to a point marked by an Artisan Monument;

Thence North 89°31'00" East, a distance of 112.72 feet;

Thence South 26°59'41" West, a distance of 2,671.44 feet;

Thence North 01°12'54" West, a distance of 211.55 feet to the former centerline of the Railroad right of way marked by an Artisan Monument;

Thence continuing said course a distance of 211.55 feet to the point of beginning.



The property described above being the real property existing within the boundaries of the Union Pacific Railroad right of way as adjudicated in the District Court, Lincoln County, Nevada, Case No. 53-11-2000LC, Stipulation and Judgment to Quiet Title and of Adverse Possession, recorded July 28, 2003 in Book 175 of Official Records, page 106 as File No. 120590, Lincoln County, Nevada records.

The above legal description is a metes and bounds description and was obtained from a Grant, Bargain, Sale Deed, recorded May 27, 2015 in Book 295 of Official Records, page 499, as File No. 147563, Lincoln County, Nevada records.

This additional information required by NRS 111.312 and NRS 239B.030.

ASSESSOR'S PARCEL NUMBER FOR 2018 - 2019: 013-080-18; 013-030-21; 013-160-02;  
013-160-03; and 013-160-63

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