

LINCOLN COUNTY, NV

**2021-159800**

\$37.00

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**03/31/2021 03:19 PM**

FIRST AMERICAN TITLE INSURANCE COMPANY 18 AK

**OFFICIAL RECORD**

**AMY ELMER, RECORDER**

A.P.N.S: 006-251-09, 006-291-26, 006-401-02, 006-401-03, 012-050-04, 012-050-05, 012-050-07, 006-291-37, 006-291-32, 006-291-33, 006-291-31, 006-291-36, 006-291-35, 012-060-13, 012-060-12, 006-301-20,

File No: 13895-2612218

Recording Requested by:  
First American Title Insurance Company

When Recorded Mail To:  
Conterra Agricultural Capital, LLC  
5465 Mills Civic Parkway, Suite 201  
West Des Moines, IA 50266  
Attn: Mark A Smith, COO & General Counsel

***Deed of Trust, Security Agreement, Assignment of Rents and Fixture Filing***

This page added to provide additional information required by NRS 111.312 Section 1-2

This cover page must be typed or printed clearly in black ink only.

After Recording Return To:  
Conterra Agricultural Capital, LLC  
5465 Mills Civic Parkway, Suite 201  
West Des Moines, IA 50266  
Attention: Mark A. Smith, COO & General Counsel

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

1. **Definitions.** As used in this document, capitalized terms defined in the Loan Agreement that are not otherwise defined herein shall have the meanings given to them in the Loan Agreement. In addition, as used herein:

**“Applicable Law”** means all controlling applicable federal, state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable judicial opinions.

**“EIA”** means that certain Environmental Indemnity Agreement dated the date hereof, executed and delivered by Grantors with respect to the Loan.

**“Electronic Funds Transfer”** means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse transfers.

**“Grantors”** means **John L. Mathews and Donnene C. Mathews, husband and wife.** Grantors’ address is **PO Box 569, Pioche, NV 89043.** Grantors are the trustors under this Security Instrument.

**“Lender”** means **Conterra Agricultural Capital, LLC.** Lender is a **limited liability company** organized and existing under the laws of **Iowa.** Lender’s address is **5465 Mills Civic Parkway, Suite 201, West Des Moines, IA 50266.** Lender is the beneficiary under this Security Instrument.

**“Loan”** means the debt evidenced by the Note, plus interest, any prepayment charges and late charges due under the Note, and all sums due under this Security Instrument and the Loan Agreement, plus interest.

**“Loan Agreement”** means the loan agreement signed by Grantors and dated **March 23, 2021**.

**“Miscellaneous Proceeds”** means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section 6) for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property.

**“Note”** means the Grantors’ Note dated the date hereof, payable to the order of Lender in the original principal amount of Three Million Seven Hundred Fifty-Nine Thousand and No/100 Dollars (U.S. **\$3,759,000.00**) plus interest.

**“Property”** has the meaning specified in Section 2 below.

**“Riders”** mean all Riders to this Security Instrument that are executed by Grantors.

**“Security Instrument”** means this document, which is dated **March 23, 2021**, together with all Riders to this document.

**“Trustee”** means **First American Title Insurance Company**. Trustee’s address is **2500 N Buffalo Drive, Suite 120, Las Vegas, NV 89128**. Trustee is the trustee under this Security Instrument.

As used in this Security Instrument: (a) pronouns and other references to any gender shall include all genders; (b) words in the singular shall mean and include the plural and vice versa; and (c) the word “may” gives sole discretion without any obligation to take any action.

**2. Granting Clause.** To secure to Lender (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note; and (ii) the performance of the Loan Parties’ covenants and agreements under this Security Instrument, the Note, the Loan Agreement and the other Loan Documents (but specifically excluding the EIA and any obligations that are the substantial equivalent thereof, which are deemed *not* to be secured hereby), Grantors mortgage, grant, bargain, and convey to Lender, with power of sale, the following described property located in the **County of Lincoln, State of Nevada** (the **“Land”**):

See Exhibit A attached hereto and made a part hereof.

subject only to those matters set forth in the Permitted Prior Encumbrance Rider, if said rider is attached (hereafter **“Permitted Prior Encumbrances”**);

**TOGETHER WITH** all buildings, improvements, equipment, fixtures and permanent plantings located in or on the Land or appurtenant thereto, and all additions, replacements, and improvements hereafter made thereto or placed therein or thereon; all rights-of-way, easements, rents, issues, profits, income, proceeds and general intangibles therefrom (including but not limited to rights to sell hunting licenses thereon and all proceeds thereof), tenements, hereditaments, remainders, reversions, privileges and appurtenances thereunto belonging, however evidenced which are used or enjoyed in connection with the Land now or hereafter owned or belonging to the same or which hereafter may be acquired and so used or enjoyed;

**TOGETHER WITH** all water and water rights now owned or hereafter acquired by Grantors and howsoever evidenced, including but not limited to any water rights specifically described in the Water Rights Rider if said rider is attached hereto, whether such water and water rights are riparian, appropriative or otherwise and whether or not appurtenant to the Land, along with 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 or fixtures relating thereto;

**TOGETHER WITH** all tangible personal property owned by Grantors and located on the Land, including all windmills, pumps, irrigation equipment, motors, engines, and devices of every kind now or hereafter used for or in connection with the irrigation of the Land, or for stock watering or domestic purposes thereon, and all grain bins and storage bins, which are owned by Grantors and which are located on the Land, together with all additional accessions, replacements, improvements, repairs and substitutions to said property and the proceeds thereof and all other fixtures now or hereafter located upon the real property, all of which are declared to be appurtenant to said real property, or incident to the ownership thereof, or used in connection therewith;

**TOGETHER WITH** all judgments, awards of damages, settlements and payments or security (i) hereafter made as a result of or in lieu of any taking of all or any part of the Land or other property described herein under the power of eminent domain or for any damage to the Land or other property described herein and/or the improvements located thereon, or any part thereof, and (ii) hereafter made for any damage to the Land or other property described herein and/or the improvements located thereon, or any part thereof resulting from exercise of or attempted exercise of mining rights or claims, however reserved or asserted, and resulting from the disturbance of any of the surface of the Property. Grantors do hereby covenant and agree that Grantors will not give such consent as may be required of the owner for mining or other surface disturbance by the terms of any patent, deed, statute, law or otherwise, without the prior written consent of Lender;

**TOGETHER WITH** all proceeds of and any unearned premiums on any insurance policies covering the Land and/or the improvements and other property located thereon, including, without limitation, the right to receive and apply the proceeds of any insurance judgments, or settlements made in lieu thereof, for damage to the real property and/or the improvements located thereon or the indebtedness secured thereby;

**TOGETHER WITH** all contract rights, chattel paper, documents, accounts and general intangibles, rights to performance, entitlement to payment in cash or in kind, or any other benefits under any current or future governmental program which pertain to the real property, whether now or hereafter existing or acquired;

**TOGETHER WITH** all cash and noncash proceeds of the conversion, voluntary or involuntary, of any of the foregoing;

**TOGETHER WITH** any and all of Grantors' right, title, and/or interest in any and all system memberships and/or ownership certificates in any non-municipal water sewer systems now or in the future serving said property.

All replacements and additions shall also be covered by this Security Instrument.

All of the foregoing is referred to in this Security Instrument as the "**Property.**"

3. **Final Maturity.** The final maturity of the Note is March 23, 2036.

**4. Grantors' Rights.** Grantors covenant that Grantors are lawfully seized of the estate hereby conveyed and have the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record and specifically those permitted prior encumbrances, if any, set forth in the Permitted Prior Encumbrances Rider if said rider is attached to this Security Instrument. Grantors warrant and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

**5. Charges; Liens.** Grantors shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property which can attain priority over this Security Instrument, leasehold payments or ground rents on the Property, if any.

Grantors shall promptly discharge any lien which has priority over this Security Instrument unless Grantors: (a) agree in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, but only so long as Grantors are performing such agreement; (b) contest the lien in good faith by, or defends against enforcement of the lien in, legal proceedings which in Lender's opinion operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded; or (c) secure from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which can attain priority over this Security Instrument, Lender may give Grantors a notice identifying the lien. Within 10 days of the date on which that notice is given, Grantors shall satisfy the lien or take one or more of the actions set forth above in this Section 5.

Lender may require Grantors to pay a one-time charge for a real estate tax verification and/or reporting service used by Lender in connection with this Loan.

**6. Property Insurance.** Grantors shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and any other hazards including, but not limited to, earthquakes and floods, for which Lender requires insurance. This insurance shall be maintained in the amounts (including deductible levels) and for the periods that Lender requires. What Lender requires pursuant to the preceding sentences can change during the term of the Loan. The insurance carrier providing the insurance shall be chosen by Grantors subject to Lender's right to disapprove Grantors' choice, which right shall not be exercised unreasonably. Lender may require Grantors to pay, in connection with this Loan, either: (a) a one-time charge for flood zone determination, certification and tracking services; or (b) a one-time charge for flood zone determination and certification services and subsequent charges each time remappings or similar changes occur which reasonably might affect such determination or certification. Grantors shall also be responsible for the payment of any fees imposed by the Federal Emergency Management Agency in connection with the review of any flood zone determination resulting from an objection by Grantors.

If Grantors fail to maintain any of the coverages described above, such failure shall constitute a default under the terms of this Security Instrument, the Loan Agreement, and the Loan. Lender may obtain insurance coverage, at Lender's option and Grantors' expense. Lender is under no obligation to purchase any particular type or amount of coverage. Therefore, such coverage shall cover Lender, but might or might not protect Grantors, Grantors' equity in the Property, or the contents of the Property, against any risk, hazard or liability and might provide greater or lesser coverage than was previously in effect. Grantors acknowledge that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that Grantors could have obtained. Any amounts disbursed by Lender under this Section 6 shall become additional debt of Grantors secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Grantors requesting payment.



All insurance policies required by Lender and renewals of such policies shall be subject to Lender's right to disapprove such policies, shall include a standard mortgage clause, and shall name Lender as mortgagee and/or as an additional loss payee. Lender shall have the right to hold the policies and renewal certificates. If Lender requires, Grantors shall promptly give to Lender all receipts of paid premiums and renewal notices. If Grantors obtain any form of insurance coverage, not otherwise required by Lender, for damage to, or destruction of, the Property, such policy shall include a standard mortgage clause and shall name Lender as mortgagee and/or as an additional loss payee.

In the event of loss, Grantors shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Grantors. Unless Lender and Grantors otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by Lender, shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such insurance proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such insurance proceeds, Lender shall not be required to pay Grantors any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Grantors shall not be paid out of the insurance proceeds and shall be the sole obligation of Grantors. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Grantors. Such insurance proceeds shall be applied as provided in this Security Instrument and the other Loan Documents.

If Grantors abandon the Property, Lender may file, negotiate and settle any available insurance claim and related matters. If Grantors do not respond within 30 days to a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may negotiate and settle the claim. The 30-day period will begin when the notice is given. In either event, or if Lender acquires the Property by foreclosure or otherwise, Grantors hereby assign to Lender (a) Grantors' rights to any insurance proceeds in an amount not to exceed the amounts unpaid under the Note, the Loan Agreement, or this Security Instrument, and (b) any other of Grantors rights (other than the right to any refund of unearned premiums paid by Grantors) under all insurance policies covering the Property, insofar as such rights are applicable to the coverage of the Property. Lender may use the insurance proceeds either to repair or restore the Property or to pay amounts unpaid under the Note, the Loan Agreement, or this Security Instrument, whether or not then due.

**7. Preservation, Maintenance and Protection of the Property; Inspections.** Grantors shall not destroy, damage or impair the Property, allow the Property to deteriorate or commit waste on the Property. Grantors shall maintain the Property in order to prevent the Property from deteriorating or decreasing in value due to its condition. Unless it is determined pursuant to Section 6 that repair or restoration is not economically feasible, Grantors shall promptly repair the Property if damaged to avoid further deterioration or damage. If insurance or condemnation proceeds are paid in connection with damage to, or the taking of, the Property, Grantors shall be responsible for repairing or restoring the Property only if Lender has released proceeds for such purposes. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, Grantors are not relieved of Grantors' obligation for the completion of such repair or restoration.

Grantors will operate the Property in a good and workmanlike manner and in accordance with all Applicable Law and will pay all fees and charges of any kind in connection therewith. Grantors will use good farming and animal husbandry practices.

Lender or its agent may make reasonable entries upon and inspections of the Property. If it has reasonable cause, Lender may inspect the interior of the improvements on the Property. Lender shall give Grantors notice at the time of or prior to such an interior inspection specifying such reasonable cause.

**8. Protection of Lender's Interest in the Property and Rights Under this Security Instrument.** If (a) Grantors fail to perform the covenants and agreements contained in this Security Instrument, (b) there is a legal proceeding that might significantly affect Lender's interest in the Property and/or rights under this Security Instrument (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of a lien which may attain priority over this Security Instrument or to enforce laws or regulations), or (c) Grantors have abandoned the Property, then Lender may do and pay for whatever is reasonable or appropriate to protect Lender's interest in the Property and rights under this Security Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property. Lender's actions can include, but are not limited to: (a) paying any sums secured by a lien which has priority over this Security Instrument; (b) appearing in court; (c) paying reasonable attorneys' fees to protect its interest in the Property and/or rights under this Security Instrument, including its secured position in a bankruptcy proceeding, (d) perform any farming operations related to the planting, growing, maintenance, and harvesting of crops located on the Property, and (e) perform any ranching operations related to any animals located on the Property. Securing the Property includes, but is not limited to, entering the Property to make repairs, change locks, replace or board up doors and windows, drain water from pipes, eliminate building or other code violations or dangerous conditions, and have utilities turned on or off. Although Lender may take action under this Section 8, Lender does not have to do so and is not under any duty or obligation to do so. It is agreed that Lender incurs no liability for not taking any or all actions authorized under this Section 8. Lender may perform these or any other actions it deems necessary in Lender's sole discretion to preserve the value of the Property, and/or assign to others the right to do same on behalf of Lender. Lender may make advances under this security instrument or other instrument providing security for the Note, to protect the Lender's interest in this security instrument or other instrument providing security for the Note from loss of value or damage. Any money so advanced (including reasonable costs of recovery and attorneys' fees) plus interest at the default rate indicated in the Note shall be due and payable by Grantors on demand and is an obligation secured by this Security Instrument.

If this Security Instrument is on a leasehold, Grantors shall comply with all the provisions of the lease. Grantors shall not surrender the leasehold estate and interests herein conveyed or terminate or cancel the ground lease. Grantors shall not, without the express written consent of Lender, alter or amend the ground lease. If Grantors acquire fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

**9. Assignment of Miscellaneous Proceeds; Forfeiture.** All Miscellaneous Proceeds are hereby assigned to and shall be paid to Lender.

If the Property is damaged, such Miscellaneous Proceeds shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such Miscellaneous Proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may pay for the repairs and restoration in a single disbursement or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such Miscellaneous Proceeds, Lender shall not be required to pay Grantors any interest or earnings on such Miscellaneous Proceeds. If the restoration or repair is not economically feasible or Lender's security would be lessened, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Grantors. Such Miscellaneous Proceeds shall be

applied as provided in this Security Instrument and the other Loan Documents.

In the event of a total taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Grantors.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the partial taking, destruction, or loss in value, unless Grantors and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the Miscellaneous Proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the partial taking, destruction, or loss in value divided by (b) the fair market value of the Property immediately before the partial taking, destruction, or loss in value. Any balance shall be paid to Grantors.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is less than the amount of the sums secured immediately before the partial taking, destruction, or loss in value, unless Grantors and Lender otherwise agree in writing, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Grantors, or if, after notice by Lender to Grantors that the Opposing Party (as defined in the next sentence) offers to make an award to settle a claim for damages, Grantors fail to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the Miscellaneous Proceeds either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due. "**Opposing Party**" means the third party that owes Grantors Miscellaneous Proceeds or the party against whom Grantors have a right of action in regard to Miscellaneous Proceeds.

The proceeds of any award or claim for damages that are attributable to the impairment of Lender's interest in the Property are hereby assigned and shall be paid to Lender.

All Miscellaneous Proceeds that are not applied to restoration or repair of the Property as provided in this Security Instrument and the other Loan Documents.

**10. Grantors Not Released; Forbearance By Lender Not a Waiver.** Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument shall not operate to release the lien of this Security Instrument or the liability of Grantors or any other Loan Party under this Security Instrument or any other Loan Document. Any forbearance by Lender in exercising any right or remedy including, without limitation, Lender's acceptance of payments from third persons or in amounts less than the amount then due, shall not be a waiver of or preclude the exercise of any right or remedy.

**11. Loan Charges.** Lender may charge Grantors fees for services performed in connection with any Event of Default, for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument, including, but not limited to, attorneys' fees, property inspection and valuation fees. In regard to any other fees, the absence of express authority in this Security Instrument to charge a specific fee to Grantors shall not be construed as a prohibition on the charging of such fee.



**12. Notices.** All notices given to Lender in connection with this Security Instrument shall be given and deemed effective when delivered in accordance with the Loan Agreement. All notices given to Grantors in connection with this Security Instrument shall be given and deemed effective when delivered in accordance with the Loan Agreement. If any notice required by this Security Instrument is also required under Applicable Law, the requirement of Applicable Law will satisfy the corresponding requirement under this Security Instrument.

**13. Governing Law; Severability; Rules of Construction.** This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. All rights and obligations contained in this Security Instrument are subject to any requirements and limitations of Applicable Law. Applicable Law might explicitly or implicitly allow the parties to agree by contract or it might be silent, but such silence shall not be construed as a prohibition against agreement by contract. In the event that any provision or clause of this Security Instrument, the Loan Agreement, or the Note conflicts with Applicable Law, such conflict shall not affect other provisions of this Security Instrument, the Loan Agreement, or the Note which can be given effect without the conflicting provision.

**14. Sale of Note; Change of Loan Servicer; Notice of Grievance.** The Note or a partial interest in the Note (together with this Security Instrument) can be sold one or more times without prior notice to Grantors.

**15. Hazardous Substances.** As used in this Section 15: (a) **"Hazardous Substances"** are those substances defined as toxic or hazardous substances, pollutants, or wastes by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials; (b) **"Environmental Law"** means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection; (c) **"Environmental Cleanup"** includes any response action, remedial action, or removal action, as defined in Environmental Law; and (d) an **"Environmental Condition"** means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

Grantors shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Grantors shall not do, nor allow anyone else to do, anything affecting the Property (a) that is in violation of any Environmental Law, (b) which creates an Environmental Condition, or (c) which, due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects the value of the Property. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property (including, but not limited to, hazardous substances in consumer products).

Grantors shall promptly give Lender written notice of (a) any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Grantors have actual knowledge, (b) any Environmental Condition, including but not limited to, any spilling, leaking, discharge, release or threat of release of any Hazardous Substance, and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If Grantors learn, or are notified by any governmental or regulatory authority, or any private party, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Grantors shall promptly take all necessary remedial actions in accordance with Environmental Law. Nothing herein shall create any obligation on Lender for an Environmental Cleanup. Grantors agree to indemnify and hold Lender free and harmless from and against all loss, costs (including attorneys' fees and costs), damage (including consequential damages), and expenses lender may sustain by reason of the assertion against Lender by any third-party of

any claim in connection with Hazardous Substances on, in, or affecting the Property, and shall pay any such attorneys' fees and costs Lender incurs in connection therewith.

**16. Additional Property Subject To The Security Instrument.** This Security Instrument also constitutes a security agreement within the meaning of the Uniform Commercial Code as adopted in the State of Nevada (the "UCC") with respect to all personal property and fixtures included in the Property as described above (the "Personal Property"), and Grantors hereby pledge and grant to Lender, and hereby create a continuing lien and security interest in favor of Lender in and to, all of Grantors' right, title, and interest in and to the Personal Property, wherever located, whether now existing or hereafter from time to time arising or acquired, all to secure to Lender (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note; and (ii) the performance of Loan Parties' covenants and agreements under this Security Instrument, the Note, the Loan Agreement and the other Loan Documents (but specifically excluding the EIA and any obligations that are the substantial equivalent thereof, which are deemed *not* to be secured hereby).

**17. Fixture Filing.** This Security Instrument constitutes a "fixture filing" for the purposes of the UCC against all of the Property which is or is to become fixtures per the UCC.

**18. Use of Property; Compliance With Law.** Grantors shall not seek, agree to or make a change in the permitted use of the Property or its zoning classification, unless Lender has agreed in writing to the change. Grantors shall comply with all laws, ordinances, regulations and requirements of any governmental body applicable to the Property.

**19. Assignment of Leases.** Upon Lender's request after any default under this Security Instrument, the Loan Agreement, or the Note, Grantors shall assign to Lender all leases of the Property and all security deposits made in connection with leases of the Property. Upon the assignment, Lender shall have the right to modify, extend or terminate the existing leases and to execute new leases, in Lender's sole discretion. As used in this paragraph, the word "lease" shall mean "sublease" if the Security Instrument is on a leasehold.

**20. Assignment of Rents; Appointment of Receiver; Lender In Possession.** Grantors absolutely and unconditionally assign and transfer to Lender all of Grantors' right, title and interest in and to the rents and revenues ("Rents") of the Property, regardless of to whom the Rents of the Property are payable. Grantors authorize Lender or Lender's agents to collect the Rents, and agree that each tenant of the Property shall pay the Rents to Lender or Lender's agents. However, Grantors may receive the Rents until Lender has given notice to the tenant(s) following an Event of Default that the Rents are to be paid to Lender or Lender's agent. This assignment of Rents constitutes an absolute assignment and not an assignment for additional security only.

Upon notice by Lender following an Event of Default, (i) all Rents received by Grantors shall be held by Grantors in trust for the benefit of Lender only, to be applied to the sums secured by the Security Instrument; (ii) Lender shall be entitled to collect and receive all of the Rents of the Property; (iii) Grantors agree that each tenant of the Property shall pay all Rents due and unpaid to Lender or Lender's agents upon Lender's written demand to the tenant; (iv) unless applicable law provides otherwise, all Rents collected by Lender or Lender's agents shall be applied first to the costs of taking control of and managing the Property and collecting the Rents, including, but not limited to, attorneys' fees, receiver's fees, premiums on receiver's bonds, repair and maintenance costs, insurance premiums, taxes, assessments and other charges on the Property, and then to the sums secured by the Security Instrument; (v) Lender, Lender's agents or any judicially appointed receiver shall be liable to account for only those Rents actually received; and (vi) Lender shall be entitled to have a receiver appointed to take possession of and manage the Property

and collect the Rents and profits derived from the Property without any showing as to the inadequacy of the Property as security.

If the Rents of the Property are not sufficient to cover the costs of taking control of and managing the Property and of collecting the Rents any funds expended by Lender for such purposes shall become indebtedness secured by this Security Instrument.

Grantors represent and warrant that Grantors have not executed any prior assignment of the Rents and have not performed, and will not perform, any act that would prevent Lender from exercising its rights under this paragraph.

Lender, or Lender's agents or a judicially appointed receiver, shall not be required to enter upon, take control of or maintain the Property before or after giving notice of default. However, Lender, or Lender's agents or a judicially appointed receiver, may do so at any time when a default occurs. Any application of Rents shall not cure or waive any default or invalidate any other right or remedy of Lender. This assignment of Rents of the Property shall terminate when all the sums secured by the Security Instrument are paid in full.

This assignment of rents creates a security interest and vests Lender with all rights under NRS 107A.230.

Grantors agree that the mere recordation of the assignment granted herein entitles Lender immediately to collect and receive rents upon the occurrence and during the continuance of an Event of Default, without first taking any acts of enforcement under applicable law, such as, but not limited to, providing notice to Grantors, filing foreclosure proceedings, or seeking and/or, subject to NRS 32.010 et seq. and NRS 107.100, obtaining the appointment of a receiver.

**21. Severability.** Grantors and Lender intend as follows: (a) that if any provision of this Security Instrument is held to be unenforceable, then that provision will be modified to the minimum extent necessary to make it enforceable, unless that modification is not permitted by law, in which case that provision will be disregarded; (b) that if an unenforceable provision is modified or disregarded in accordance with this Section 21, then the rest of the Security Instrument will remain in effect as written; and (iii) that any unenforceable provision will remain as written in any circumstances other than those in which the provision is held to be unenforceable.

**22. Attorneys' Fees.** Lender shall be entitled to recover its reasonable attorneys' fees and costs in any action or proceeding to construe or enforce any term of this Security Instrument. The term "attorneys' fees," whenever used in this Security Instrument, shall include without limitation attorneys' fees incurred by Lender in any bankruptcy proceeding or on appeal.

**23. NON-UNIFORM COVENANTS.** Grantors and Lender further covenant and agree as follows:

(a) **Acceleration; Remedies.** Lender shall give notice to Grantors prior to acceleration following Grantors' breach of any covenant or agreement in this Security Instrument (but not prior to acceleration pursuant to an Event of Default occurring under Section 8.1.13 under the Loan Agreement unless Applicable Law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Grantors, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. The notice shall further inform Grantors of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence

of a default or any other defense of Grantors to acceleration and sale. If the default is not cured on or before the date specified in the notice, Lender at its option, and without further demand, may invoke the power of sale, including the right to accelerate full payment of the Note, and any other remedies permitted by Applicable Law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this subsection, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

If Lender invokes the power of sale, Lender shall execute or cause Trustee to execute written notice of the occurrence of an Event of Default and of Lender's election to cause the Property to be sold, and shall cause such notice to be recorded in each county in which any part of the Property is located. Lender shall mail copies of the notice as prescribed by Applicable Law to Grantors and to the persons prescribed by Applicable Law. Trustee shall give public notice of sale to the persons and in the manner prescribed by Applicable Law. After the time required by Applicable Law, Trustee, without demand on Grantors, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order Trustee determines. Trustee may postpone sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale. Lender or its designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser the Trustee's deed conveying the Property without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (i) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees; (ii) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.

(b) **Reconveyance.** Upon payment of all sums secured by this Security Instrument, Lender shall request Trustee to reconvey the Property and shall surrender this Security Instrument and all notes evidencing debt secured by this Security Instrument to Trustee. Trustee shall reconvey the Property without warranty to the person or persons legally entitled to it. Such person or persons shall pay any recordation costs. Lender may charge such person or persons a fee for reconveying the Property, but only if the fee is paid to a third party (such as the Trustee) for services rendered and the charging of the fee is permitted under Applicable Law.

(c) **Substitute Trustee.** Lender at its option, may from time to time remove Trustee and appoint a successor trustee to any Trustee appointed hereunder. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon Trustee herein and by Applicable Law.

(d) **Certain Matters Relating to Property Located in the State of Nevada.** With respect to the Property which is located in the State of Nevada, notwithstanding anything contained herein to the contrary:

1. The grace period for Grantors' performance of any other obligation referenced in the Loan Agreement shall run concurrently with the thirty-five (35) day statutory cure period under NRS 107.080(2)(a)(2).

2. Supplementing the provisions of this Security Agreement: Should Lender have elected to accelerate the indebtedness secured hereby, Lender may initiate foreclosure of the Property by requesting the Trustee to effectuate a non-judicial foreclosure sale. Trustee shall give and record such notice as the law then requires as a condition precedent to a trustee's sale. When the minimum period of time required by law after such notice has



elapsed, Trustee, without notice to or demand upon Grantors except as required by law, shall sell the Property at the time and place of sale fixed by it in the notice of sale, at one or several sales, either as a whole or in separate parcels and in such manner and order, all as Lender in its sole discretion may determine, at public auction to the highest bidder for cash, in lawful money of the United States, payable at time of sale. Neither Grantors nor any other person or entity other than Lender shall have the right to direct the order in which the Property is sold. Subject to requirements and limits imposed by law, Trustee may, from time to time, postpone the sale of all or any portion of the Property by public announcement at such time and place of sale, and from time to time may postpone the sale by public announcement at the time and place fixed by the preceding postponement. A sale of less than the whole of the Property on any defective or irregular sale made hereunder shall not exhaust the power of sale provided for herein. Trustee shall deliver to the purchaser at such sale a deed conveying the Property or portion thereof so sold, but without any covenant or warranty, express or implied. The recitals in the deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Lender shall have the right to become the purchaser at any sale held by any Trustee or substitute or successor Trustee, or by any receiver of public officer. Any Lender purchasing at any such sale shall have the right to credit the secured indebtedness owing to such Lender upon the amount of its bid entered at such sale to the extent necessary to satisfy such bid. Said Trustee may appoint an attorney-in-fact to act in its stead as Trustee to conduct sale as hereinbefore provided. Grantors bind themselves to warrant and forever defend the title of such purchaser or purchasers when so made by the Trustee, and agrees to accept proceeds of said sale, if any, which are payable to Trustee as provided herein.

3. Without limiting the generality of this Security Instrument, Grantors agree that Lender shall have the same right, power and authority to enter and inspect the Property as is granted to a secured lender under NRS Section 40.507, and that Lender will have the right to appoint a receiver to enforce the right to enter and inspect the Property to the extent such authority is provided under Nevada law, including, without limitation, the authority granted to a secured lender under NRS Section 32.015.

4. Supplementing the provisions of this Security Instrument, this Security Instrument shall constitute a fixture filing pursuant to NRS 104.9502, as amended from time to time. Some or all of the collateral may be or become a fixture in which Lender has a security interest under the security agreement provided for in this Security Instrument. However, nothing herein shall, or shall be deemed to, create any lien or interest in favor of the Trustee in any collateral which is not a fixture. The rights, remedies and interests of Lender are independent and cumulative, and there shall be no merger of any lien hereunder with any security interest created. Lender may elect to exercise or enforce any of its rights, remedies or interests under this Security Instrument as Lender may from time to time deem appropriate.

5. Covenants numbered 1, 3, 4, 5, 6, 7, 8 and 9 of Nevada Revised Statutes Section 107.030 are incorporated herein by reference. The rate of interest for Covenant Number 4 shall be the Default Rate (defined in the Loan Agreement and Note). The percent of counsel fees under Covenant No. 7 shall be reasonable. Except for Covenants Numbers 6, 7 and 8, to the extent that any terms of this Security Instrument are inconsistent with such statutory covenants, the terms of this Security Instrument will control. Covenants Numbers 6, 7 and 8 shall control over the express terms of any inconsistent terms of this Security Instrument.



BY SIGNING BELOW, Grantors accept and agree to the terms and covenants contained in this Security Instrument and in any Rider executed by Grantors.

John L. Mathews  
JOHN L. MATHEWS, individually

Donnene C. Mathews  
DONNENE C. MATHEWS, individually

STATE OF NEVADA            )  
  ) ss.  
COUNTY OF Lincoln    )

This instrument was acknowledged before me on March 26, 2021, by John L. Mathews.

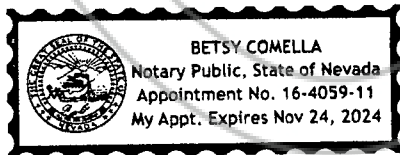


Betsy Comella  
Signature of notarial officer

STATE OF NEVADA            )  
  ) ss.  
COUNTY OF Lincoln    )

Betsy Comella  
16-4059-11  
11-24-24

This instrument was acknowledged before me on March 26, 2021, by Donnene C. Mathews.



Betsy Comella  
Signature of notarial officer

Betsy Comella  
16-4059-11  
11-24-24

Exhibit A  
Legal Description

The land referred to herein below is situated in the County of Lincoln, State of Nevada, and described as follows:

**PARCEL A:**

THE SOUTHEASTERLY PART OF THE LARGE RANCH PROPERTIES LOCATED IN DRY VALLEY, LINCOLN COUNTY, NEVADA, ON BOTH SIDES OF MOUNT DIABLO BASELINE IN: (I) SECTIONS 31, 32, 33 AND 34, TOWNSHIP 1 NORTH, RANGE 69 EAST; AND, (II) SECTIONS 2, 3, & 4, TOWNSHIP 1 SOUTH, RANGE 69 EAST (WHICH PROPERTIES ARE ORIGINALLY DESCRIBED IN BOOK 17, PAGE 150 EXHIBIT A AND BOOK 18, PAGE 233, AND VARIOUSLY DESCRIBED IN BOOK 65, PAGE 436, AND BOOK 78, PAGES 219 AND 224, ALL IN THE OFFICIAL RECORDS OF LINCOLN COUNTY, NEVADA) AND WHICH ARE DEPICTED ON THE RECORD OF SURVEY MAP TO SHOW DIVISION BOUNDARY OF THE MATHEWS-CRAWFORD RANCH IN DRY VALLEY, LINCOLN COUNTY, NEVADA IN SECTIONS 2, 3, 4, 5 & 6 OF TOWNSHIP 1 SOUTH, RANGE 69 EAST; SECTION 36, TOWNSHIP 1 NORTH, RANGE 68 EAST; AND SECTIONS 31, 32, 33 & 34, TOWNSHIP 1 NORTH, RANGE 69 EAST, M.D.M. RECORDED JANUARY 5, 1999 AS FILE NO. 112126, IN PLAT BOOK B, AT PAGE 180 OF THE OFFICIAL RECORDS OF LINCOLN COUNTY, NEVADA, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**PARCEL 1:**

BEGINNING AT A POINT MARKED BY A 5/8" REBAR WITH CAP STAMPED P.L.S. 12751 LOCATED ON THE MOUNT DIABLO BASELINE, FROM WHICH THE SOUTH QUARTER (S 1/4) CORNER OF SECTION 31, TOWNSHIP 1 NORTH, RANGE 69 EAST BEARS NORTH 89°46'13" WEST, 520.43 FEET MARKED BY A B.L.M. BRASS CAP MARKED "1/4 SOUTH 31, 1974"; THENCE SOUTH 89°46'13" EAST, 797.89 FEET ALONG THE SAID BASELINE TO THE SOUTHEAST CORNER OF THE SOUTHWEST QUARTER (SW 1/4) OF THE SOUTHEAST QUARTER (SE 1/4) OF SECTION 31, TOWNSHIP 1 NORTH, RANGE 69 EAST;  
THENCE NORTH 1320 FEET MORE OR LESS TO THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER (SW 1/4) OF THE SOUTHEAST QUARTER (SE 1/4) OF SECTION 31;  
THENCE EAST 2640 FEET MORE OR LESS TO THE NORTHWEST CORNER OF THE SOUTHEAST QUARTER (SE 1/4) OF THE SOUTHWEST QUARTER (SW 1/4) OF SECTION 32, TOWNSHIP 1 NORTH, RANGE 69 EAST;  
THENCE SOUTH 1320 FEET MORE OR LESS TO THE SOUTHWEST CORNER OF THE SOUTHEAST QUARTER (SE 1/4) OF THE SOUTHWEST QUARTER (SW 1/4) OF SECTION 32;  
THENCE EAST 3040 FEET MORE OR LESS ALONG THE MOUNT DIABLO BASELINE TO THE NORTHWEST CORNER OF LOT 1 (LOCATED WITHIN THE NORTHEAST QUARTER (NE 1/4) OF SECTION 4, TOWNSHIP 1 SOUTH, RANGE 69 EAST);  
THENCE SOUTH 660 FEET MORE OR LESS ALONG THE WEST LINE OF SAID LOT 1 TO THE SOUTHWEST CORNER OF SAID LOT 1;  
THENCE EAST 2640 FEET MORE OR LESS TO THE SOUTHEAST CORNER OF LOT 4 OF SECTION 3, TOWNSHIP 1 SOUTH, RANGE 69 EAST;  
THENCE NORTH 660 FEET MORE OR LESS TO THE NORTHEAST CORNER OF SAID LOT 4 (LOCATED ON THE MOUNT DIABLO BASELINE);  
THENCE WEST 410 FEET MORE OR LESS ALONG THE SAID BASELINE TO THE SOUTHEAST CORNER OF THE SOUTHWEST QUARTER (SW 1/4) OF THE SOUTHWEST QUARTER (SW 1/4) OF SECTION 33, TOWNSHIP 1 NORTH, RANGE 69 EAST;  
THENCE NORTH 1320 FEET MORE OR LESS TO THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER (SW 1/4) OF THE SOUTHWEST QUARTER (SW 1/4) OF SECTION 33;

THENCE WEST 3960 FEET MORE OR LESS TO THE NORTHWEST CORNER OF THE SOUTHWEST QUARTER (SW 1/4) OF THE SOUTHEAST QUARTER (SE 1/4) OF SECTION 32;  
THENCE NORTH 1320 FEET MORE OR LESS TO THE NORTHEAST CORNER OF THE NORTHEAST QUARTER (NE 1/4) OF THE SOUTHWEST QUARTER (SW 1/4) OF SECTION 32;  
THENCE WEST 1320 FEET MORE OR LESS TO THE SOUTHEAST CORNER OF THE SOUTHWEST QUARTER (SW 1/4) OF THE NORTHWEST (NW 1/4) OF SECTION 32;

\*\*THENCE NORTH 929.38 FEET ALONG THE EAST LINE OF THE SOUTHWEST QUARTER (SW 1/4) OF THE NORTHWEST QUARTER (NW 1/4) OF SECTION 32\*;  
THENCE SOUTH 56°43'07" WEST, 744.95 FEET\* AT THE SOUTHEAST CORNER OF A CONCRETE WELL PUMP BASE;  
THENCE SOUTH 56°11'13" WEST, 1837.92 FEET\*;  
THENCE SOUTH 51°22'05" WEST, 1818.92 FEET\*;  
THENCE SOUTH 37°37'24" EAST, 261.41 FEET\*;  
THENCE SOUTH 03°43'51" WEST, 731.32 FEET\* ON THE SAID BASELINE AND THE POINT OF BEGINNING\*\*

\*TO A POINT MARKED BY A 5/8 INCH REBAR WITH CAP STAMPED P.L.S. 12751

\*\*DISTANCES AND BEARINGS WITHIN DOUBLE ASTERISKS ARE MEASURED

**PARCEL 2:**

THE NORTHEAST QUARTER (NE 1/4) OF THE SOUTHWEST QUARTER (SW 1/4) OF SECTION 2, AND LOT THREE (3) AND THE SOUTHEAST QUARTER (SE 1/4) OF THE NORTHWEST QUARTER (NW 1/4) OF SECTION 3, IN TOWNSHIP 1 SOUTH, RANGE 69 EAST, M.D.M., IN LINCOLN COUNTY, NEVADA.

**PARCEL 3:**

THE SOUTHWEST QUARTER (SW 1/4) OF THE SOUTHEAST QUARTER (SE 1/4) OF SECTION 34, TOWNSHIP 1 NORTH, RANGE 69 EAST, M.D.M. AND LOTS TWO (2) AND THREE (3) AND THE SOUTH HALF (S 1/2) OF THE NORTHWEST QUARTER (NW 1/4) OF SECTION 2, AND LOTS ONE (1) AND TWO (2) AND THE SOUTH HALF (S 1/2) OF THE NORTHEAST QUARTER (NE 1/4) OF SECTION 3, ALL IN TOWNSHIP 1 SOUTH, RANGE 69 EAST, M.D.M. IN LINCOLN COUNTY, NEVADA.

NOTE: THE ABOVE METES AND BOUNDS LEGAL DESCRIPTION PREVIOUSLY APPEARED IN DOCUMENT RECORDED JANUARY 24, 2007 IN BOOK 228, PAGE 218 OF OFFICIAL RECORDS AS DOCUMENT NO. 128264 IN THE OFFICE OF THE COUNTY RECORDER, LINCOLN COUNTY, NEVADA.

**PARCEL B:**

**PARCEL 1:**

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 PUMPBASE;  
THENCE NORTH 56°43'07" EAST, 744.95 FEET TO THE EAST LINE OF THE W1/2 NW1/4 SECTION 31 \*;  
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. & M., WHICH IS SOUTH 00°26'30" WEST.

EXCEPTING THEREFROM THE FOLLOWING FOUR (4) PARCELS:

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), TO 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 AND THE POINT OF BEGINNING.

ALSO:

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

BEGINNING AT THE MOST WESTERLY POINT OF THIS PARCEL ON THE SOUTHEASTERLY SIDE OF THE COUNTY ROAD AT A POINT FROM WHICH THE WEST QUARTER (W1/4) 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.

THE ABOVE PARCEL IS ALSO 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 (W1/4) 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 00°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.)

ALSO:  
PARCELS "C" AND "D" OF THE PARCEL MAP FOR JOHN L. AND DONNENE C. MATHEWS RECORDED MAY 28, 2002 IN PLAT BOOK "B", PAGE 434 AS FILE #118205 OF OFFICIAL RECORDS.

ALSO:  
THAT PORTION OF THE SOUTHWEST QUARTER (SW1/4) OF THE NORTHEAST QUARTER (NE1/4) OF SECTION 31, TOWNSHIP 1 NORTH, RANGE 69 EAST, M.D.B.&M., DESCRIBED AS FOLLOWS:

PARCELS 1A, 1B, 1C, AND 1D, AS SHOWN BY MAP THEREOF ON FILE IN PLAT BOOK "B", PAGE 430 FILE #118167 OF OFFICIAL RECORDS.

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.

PARCEL 2:

PARCELS 1A, 1B, 1C, AND 1D, AS SHOWN BY MAP THEREOF ON FILE IN PLAT BOOK "B", PAGE 430 FILE #118167 RECORDED MAY 20, 2002 IN THE OFFICIAL RECORDS.

PARCEL 3:

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., DESCRIBED AS FOLLOWS:

PARCEL "D" AS SHOWN BY MAP THEREOF ON FILE IN PLAT BOOK "B", PAGE 434 AS FILE #118205 RECORDED MAY 28, 2002 IN THE OFFICIAL RECORDS.

LESS ANY AND ALL PROPERTY CONTAINED IN PARCEL #006-291-10 AND 006-291-30 INCLUDED IN ABOVE DESCRIPTIONS.