

The Connecticut Mutual

LIFE INSURANCE COMPANY

*Established in 1846**Hartford, Connecticut*

DEED OF TRUST

This Deed of Trust is executed in quadruplicate to facilitate recording in the four counties in which the property is located.

This Deed of Trust, made this 5th day of April, 1967, between MAGNUSON RANCH, a partnership, Andrew J. Magnuson, a single man, John C. Carpenter, Jr., and Roseann Carpenter, husband and wife herein called Trustor, TITLE INSURANCE AND TRUST COMPANY, a corporation herein called Trustee, and The Connecticut Mutual Life Insurance Company, a corporation of Hartford, Connecticut, herein called Beneficiary,

Witnesseth: That Trustor hereby irrevocably grants, transfers and assigns to Trustee, in trust, with power of sale, all that property in the County of Elko, Nye, Eureka, and Lander, State of Nevada, described as:

See next page for description.

SEE EXHIBIT "A"

*TI
MT.*

~~This instrument is given and accepted upon the express provision that should the undersigned sell, divest, transfer, relinquish or lose their right, title or interest in the loan security, or any portion thereof during the term of this instrument, either voluntarily or by operation of law, without the written consent of the party hereby secured, then such secured party, at its option, may accelerate all or any part of the indebtedness secured hereby and enforce collection as herein provided or in any other manner provided by law.~~

This instrument is given and accepted upon the express provision that should the undersigned sell, divest, transfer, relinquish, or lose their right, title or interest in the loan security, or any portion thereof during the term of this instrument, either voluntarily or as the result of the levy of legal process, including without limitation thereto, attachment or execution, or as the result of voluntary or involuntary bankruptcy proceedings, without the written consent of the party hereby secured, then such secured party, at its option, may accelerate all or any part of the indebtedness secured hereby and enforce collection as herein provided or in any other manner provided by law. PROVIDED, HOWEVER, this clause shall not apply to the following:

1. The lease No. 3790-M dated October 9, 1962, from Southern Pacific Company to Magnuson Ranch (Exhibit C);

2. Condemnation and eminent domain proceedings;

3. Grazing rights or privileges and forest rights or privileges suspended, lost, reduced or transferred as the result of action or proceedings on the part of the governmental agency, bureau or department managing and controlling such rights or privileges;

4. Water rights reduced, lost or transferred other than by voluntary sale or transfer of such water rights by the undersigned;

5. Any sale, divestment, transfer, relinquishment, or loss of any right, title or interest in the loan security, or any portion thereof as the result of the death, disability or incompetency of any of the undersigned;

6. Any personal property of the undersigned;

7. The replacement, reconstruction, alteration, or substitution of any buildings, structures, fences, pumps, pumping equipment, pipes, pipelines, wells, tanks, dams, reservoirs and other machinery, equipment or improvements in the course of the normal operation of the ranching properties.

EXHIBIT "A"

PARCEL 1: ELKO COUNTY

Township 29 North, Range 53 East, MDB&M

Section 23: All

Township 28 North, Range 54 East, MDB&M

Section 16: NW $\frac{1}{2}$; W $\frac{1}{2}$ NE $\frac{1}{2}$;

Township 33 North, Range 54 East, MDB&M

Section 21: All

Township 32 North, Range 55 East, MDB&M

Section 5: That portion lying North of the center of the
Channel of the South Fork of the Humboldt River.

Township 33 North, Range 55 East, MDB&M

Section 19: All
29: NW $\frac{1}{2}$; S $\frac{1}{2}$;
31: All
33: All

Township 26 North, Range 56 East, MDB&M

Section 3: W $\frac{1}{2}$ NW $\frac{1}{2}$;
4: N $\frac{1}{2}$ NE $\frac{1}{2}$;

Township 27 North, Range 56 East, MDB&M

Section: 11: N $\frac{1}{2}$ SW $\frac{1}{2}$; SE $\frac{1}{2}$ SW $\frac{1}{2}$; NW $\frac{1}{2}$ SE $\frac{1}{2}$; S $\frac{1}{2}$ SE $\frac{1}{2}$;
12: S $\frac{1}{2}$ SW $\frac{1}{2}$;

Township 27 North, Range 56 East, MDB&M, continued

Section 14: $N\frac{1}{2}SW\frac{1}{2}$; $N\frac{1}{2}SE\frac{1}{2}$;
15: Lot 3
27: $S\frac{1}{2}SW\frac{1}{2}$; $NW\frac{1}{2}SW\frac{1}{2}$;
28: $SE\frac{1}{2}NE\frac{1}{2}$;
35: $S\frac{1}{2}SE\frac{1}{2}$; $SE\frac{1}{2}SW\frac{1}{2}$;
36: $SW\frac{1}{2}SW\frac{1}{2}$;

Township 28 North, Range 56 East, MDB&M

Section 30: $S\frac{1}{2}SE\frac{1}{2}$;
31: $NW\frac{1}{2}SE\frac{1}{2}$;
32: $NW\frac{1}{2}NW\frac{1}{2}$;

Township 30 North, Range 56 East, MDB&M

Section 1: $SW\frac{1}{2}$; $W\frac{1}{2}SE\frac{1}{2}$; $E\frac{1}{2}NW\frac{1}{2}$; $N\frac{1}{2}NE\frac{1}{2}$;
2: $NE\frac{1}{2}$; $N\frac{1}{2}SE\frac{1}{2}$;

Township 31 North, Range 56 East, MDB&M

Section 36: $N\frac{1}{2}NE\frac{1}{2}$; $E\frac{1}{2}SE\frac{1}{2}$;

Township 32 North, Range 56 East, MDB&M

Section 4: All
5: All
8: All
9: All
16: All
17: All
18: $E\frac{1}{2}$;

Township 30 North, Range 57 East, MDB&M

Section 5: $W\frac{1}{2}$; $NE\frac{1}{2}$; $W\frac{1}{2}SE\frac{1}{2}$;
6: All
7: $N\frac{1}{2}N\frac{1}{2}$;
8: $NW\frac{1}{2}NW\frac{1}{2}$;

Township 31 North, Range 57 East, MDB&M

- Section 10: W $\frac{1}{2}$ NE $\frac{1}{4}$; SW $\frac{1}{4}$; NW $\frac{1}{4}$ SE $\frac{1}{4}$;
 21: All
 22: Lots 2, 3, and 4; SE $\frac{1}{4}$ SW $\frac{1}{4}$; S $\frac{1}{2}$ SE $\frac{1}{4}$; NE $\frac{1}{4}$ SE $\frac{1}{4}$; SE $\frac{1}{4}$ NE $\frac{1}{4}$;
 27: Lots 3 and 4; W $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$; W $\frac{1}{2}$ E $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$; N $\frac{1}{2}$;
 28: All
 29: E $\frac{1}{2}$;
 31: All
 32: W $\frac{1}{2}$; SE $\frac{1}{4}$; S $\frac{1}{2}$ NE $\frac{1}{4}$; NE $\frac{1}{4}$ NE $\frac{1}{4}$;
 33: W $\frac{1}{2}$; NW $\frac{1}{4}$ NE $\frac{1}{4}$;
 34: Lot 5; NW $\frac{1}{4}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$; W $\frac{1}{2}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$;

PARCEL 2:ELKO COUNTYTownship 34 North, Range 54 East, MDB&M

- Section 1: All, EXCEPT a strip of land 100 feet in width granted by the SOUTHERN PACIFIC LAND COMPANY to the STATE OF NEVADA for highway purposes, by Deed recorded in Book 48, page 54, of Deeds, Elko County, Nevada, records.

Township 35 North, Range 54 East, MDB&M

- Section 3: All that portion lying East of the Easterly right-of-way line of the Elko to Mountain City Highway.
 11: All
 13: W $\frac{1}{2}$; SE $\frac{1}{4}$;
 23: All
 25: All
 27: All, EXCEPT a strip of land 100 feet in width granted by the SOUTHERN PACIFIC LAND COMPANY to the STATE OF NEVADA for highway purposes, by Deed recorded in Book 48, page 493, of Deeds, Elko County, Nevada, records.
 34: All that portion of the NW $\frac{1}{4}$ SE $\frac{1}{4}$ and the NE $\frac{1}{4}$ SW $\frac{1}{4}$ lying East of the Easterly right-of-way line of the Elko to Mountain City Highway.
 35: All

Township 35 North, Range 55 East, MDB&M

Section 1: All
3: All
5: All
7: E $\frac{1}{2}$ NW $\frac{1}{4}$; Lots 1, and 2; E $\frac{1}{2}$;
9: All
11: All
13: All
15: All
21: All
29: All

Township 35 North, Range 56 East, MDB&M

Section 5: All
7: All

Township 36 North, Range 54 East, MDB&M

Section 11: All that portion lying East of the Easterly right-of-way line of the Elko to Mountain City Highway.
23: All that portion lying East of the Easterly right-of-way line of the Elko to Mountain City Highway.
26: NE $\frac{1}{4}$; E $\frac{1}{2}$ NW $\frac{1}{4}$;
35: All that portion lying East of the Easterly right-of-way line of the Elko to Mountain City Highway.

Township 36 North, Range 55 East, MDB&M

Section 1: All
3: All
5: All
7: All
9: All
11: All
13: All
15: All
17: All
19: All

Township 36 North, Range 55 East, MDB&M, continued

Section 21: All
 23: All
 25: All
 27: All
 29: All
 31: All
 33: All
 35: All

Township 36 North, Range 56 East, MDB&M

Section 7: All
 15: All
 17: All
 18: Lots 1 and 2 ($W\frac{1}{2}NW\frac{1}{2}$); Lot 3 ($NW\frac{1}{2}SW\frac{1}{2}$);
 $NE\frac{1}{2}SW\frac{1}{2}$; $SW\frac{1}{2}SE\frac{1}{2}$;
 19: All
 27: All
 30: Lot 1 ($NW\frac{1}{2}NW\frac{1}{2}$);

Township 37 North, Range 54 East, MDB&M

Section 23: All that portion lying East of the Easterly right-of-way line of the Elko to Mountain City Highway, EXCEPT a parcel conveyed to E. L. Cord, described as follows:

A parcel of land located in the $N\frac{1}{2}$ of Section 23 and more particularly described as follows:

Beginning at the Northeast corner of Section 23 as shown on the Record of Survey A Portion of the Dinner Station Ranch, located in Sections 13, 14, 23, and 24, Township 37 North, Range 54 East and Section 18 and 19, Township 37 North, Range 55 East, MDB&M, Elko County, Nevada, as filed for record with the County Recorder of Elko County, Nevada. Thence: Southerly along the East line of said Section 23, 1470 feet, more or less, to the intersection with an existing fence;
 Thence: North $80^{\circ}03'$ West, 80 feet, more or less, along said existing fence to an angle point thereon;

Township 37 North, Range 54 East, MDB&M, continued

Thence: North 79°03' West, 2574.2 feet, more or less, along said existing fence and projected to the intersection with the easterly right-of-way line of Nevada State Highway Route No. 11;

Thence: North 10°07' West, 1970 feet, more or less, along the easterly right-of-way line of said Highway to the intersection of the North line of Section 23;

Thence: Easterly along the North line of said Section 23, 2790 feet more or less to the true point of beginning. Said parcel containing 74.7 acres, more or less.

(NOTE: Also described as: All that portion lying East of the Easterly right-of-way line of the Elko to Mountain City Highway, and South of the existing fence.)

Section 35: All that portion lying East of the Easterly right-of-way line of the Elko to Mountain City Highway.

Township 37 North, Range 55 East, MDB&M

Section 7: All

17: All

19: All, EXCEPT a parcel of land located in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 18 and the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 19 and more particularly described as follows:

Beginning at the Section corners common to Sections 13, 24, 18, and 19, Township 37 North, Range 54 East and Township 37 North, Range 55 East, MDB&M.

Thence North 0°02' East along the line common to said Sections 13 and 18 to its intersection with an existing fence line;

Thence: South 67°19'46" East, a distance of 1465 feet along said fence line;

Thence: South 15°13' West, a distance of 331.7 feet;

Thence: South 46°55' West a distance of 1852.49 feet to the intersection of the fence line with the North-south Section line between Sections 24 and 19, Township 37 North, Range 54 East and Township 37 North, Range 55 East, MDB&M.

Township 37 North, Range 55 East, MDB&M, continued

Section 19: continued

Thence: North 0°02' East along said Section line between Sections 24 and 19 to the true point of beginning.

Said parcel containing 9.2 acres, more or less, in Section 18 and 26.4 acres, more or less, in Section 19.

Section 21: All EXCEPT a parcel conveyed to Joe Echegaray by Deed recorded in Book 12, page 452, of Official Records, Elko County, Nevada, records, which parcel is described as follows:

Beginning at the Northeast corner of Section 21; thence South a distance of 4019.00 feet; thence North 52°30' West, along a proposed fence, a distance of 6666.00 feet to the Northwest corner of Section 21; Thence East a distance of 5280.00 feet to the point of beginning.
Containing 243.59 acres, more or less.

Section 29: N $\frac{1}{2}$; SE $\frac{1}{2}$; NE $\frac{1}{2}$ SW $\frac{1}{2}$;
30: SW $\frac{1}{2}$ NE $\frac{1}{2}$;
31: All

Township 31 North, Range 57 East, MDB&M

Section 3: Lots 1, 5, 6, and 7;
10: Lots 1 and 4; SW $\frac{1}{2}$ SE $\frac{1}{2}$;
15: Lots 1, 2, 3, and 4; W $\frac{1}{2}$ NE $\frac{1}{2}$; E $\frac{1}{2}$ NW $\frac{1}{2}$; E $\frac{1}{2}$ SW $\frac{1}{2}$; NE $\frac{1}{2}$ NE $\frac{1}{2}$;

Except for a certain tract of land containing about 15 acres, more or less, in the SE corner of the SW $\frac{1}{2}$ of the NE $\frac{1}{2}$ of Section 15, Township 31 North, Range 57 East, MDB&M, as deeded December 5, 1930 from Charles B. Kleckner to H. B. Bolton and J. L. Hylton recorded in Book 45, page 605, of Deeds, Elko County Recorder's office, Elko, Nevada.

Township 35 North, Range 57 East, MDB&M

Section 15: All, EXCEPTING therefrom a strip of land four hundred (400) feet wide lying equally on each side of the track of said Railroad Company, or any branch railroad now or hereafter constructed on said lands as reserved by Central Pacific Railway Company in Deed to George Elmore recorded September 7, 1891, in Book 21, page 513, of Deeds, Elko County, Nevada, records.

16: E $\frac{1}{2}$ NE $\frac{1}{4}$; SW $\frac{1}{2}$ NE $\frac{1}{4}$;

EXCEPTING therefrom a strip of land seventy-five (75) feet in width granted Western Pacific Railroad Company by George Elmore and Mildred Elmore, in Deed recorded June 25, 1906, in Book 29, page 100, of Deeds, Elko County, Nevada, records.

PARCEL 3:NYE COUNTY

Homestead Entry Survey No. 78, embracing a portion of the unsurveyed public domain situate in Township 13 North, Range 39 East, MDB&M, and more particularly described as follows:

Beginning at corner No. 1, from which United States Location Monument No. 247 bears North 69°50' West, 1.84 chains distant; thence North 82°32' East, 80.17 chains to corner No. 2; thence South 0°57' West, 20.29 chains to corner No. 3; thence South 85°46' West, 79.79 chains to corner No. 4; thence North 1°48' East, 15.76 chains to corner No. 1, the place of beginning. As patented to Oscar J. Smith by U.S.A. November 9, 1916, under Patent No. 553635.

LANDER COUNTYTownship 16 North, Range 40 East, MDB&M

Section 23: NE $\frac{1}{2}$ NE $\frac{1}{4}$;

25: SW $\frac{1}{2}$ NE $\frac{1}{4}$;

Township 20 North, Range 40 East, MDB&M

Section 14: SW $\frac{1}{4}$ NE $\frac{1}{4}$; SE $\frac{1}{4}$ NW $\frac{1}{4}$;
 15: E $\frac{1}{4}$ NW $\frac{1}{4}$;
 29: NW $\frac{1}{4}$ SW $\frac{1}{4}$;
 36: N $\frac{1}{4}$ NW $\frac{1}{4}$; SE $\frac{1}{4}$ NW $\frac{1}{4}$; Lot 1 of NW $\frac{1}{4}$;

Township 21 North, Range 40 East, MDB&M

Section 23: SW $\frac{1}{4}$ SE $\frac{1}{4}$; SE $\frac{1}{4}$ SW $\frac{1}{4}$;
 34: N $\frac{1}{4}$ SE $\frac{1}{4}$;
 35: SW $\frac{1}{4}$ SE $\frac{1}{4}$; E $\frac{1}{4}$ SW $\frac{1}{4}$; NW $\frac{1}{4}$ SW $\frac{1}{4}$;

Township 20 North, Range 41 East, MDB&M

Section 8: NE $\frac{1}{4}$ NW $\frac{1}{4}$;

EUREKA COUNTYTownship 30 North, Range 50 East, MDB&M

Section 3: All
 4: All
 9: All
 10: NW $\frac{1}{4}$; NW $\frac{1}{4}$ NE $\frac{1}{4}$; N $\frac{1}{4}$ SW $\frac{1}{4}$; SW $\frac{1}{4}$ SW $\frac{1}{4}$;
 16: NW $\frac{1}{4}$; NW $\frac{1}{4}$ NE $\frac{1}{4}$; N $\frac{1}{4}$ SW $\frac{1}{4}$; SW $\frac{1}{4}$ SW $\frac{1}{4}$;

Township 31 North, Range 50 East, MDB&M

Section 33: All
 34: SW $\frac{1}{4}$ NW $\frac{1}{4}$; W $\frac{1}{4}$ SW $\frac{1}{4}$; SE $\frac{1}{4}$ SW $\frac{1}{4}$;

Note: There is excepted from the foregoing, that certain tract of land of the Southern Pacific Companies railroad known as Osino Station Tract.

Together with all buildings, structures, fences, pipes, wells, tanks, dams, reservoirs and all other improvements and fixtures thereon or therein, or that may be hereafter erected or placed thereon or therein, and all and singular the tenements, hereditaments and appurtenances thereunto belonging, or in any wise appertaining, and the rents, issues and profits thereof (subject, however, to the right, power and authority hereinafter given to or conferred upon Beneficiary to collect and apply such rents, issues and profits), and all the estate, right, title, property, possession, interest or other claim or demand, in law or in equity, which the Trustor now has or may hereafter acquire of, in or to the said property, or any part thereof, with appurtenances;

Together with the following described shares of stock and water right contracts, which are hereby expressly made appurtenant to the above described property, namely:

SEE SCHEDULE 3 ATTACHED.

Together with all other rights, whether evidenced by shares of stock, contracts, permits, licenses, or in any other manner, to the use of water for the irrigation of the above described property, or for stock watering or domestic purposes thereon, and to the use of any irrigation and drainage ditch, canal or pipe line, or any one or more of them, used for either or both irrigation and drainage of said property, or for the conveyance of water for stock or domestic purposes thereon, whether said rights are now owned or are hereafter acquired, every such right being hereby made appurtenant to the above described property;

To have and to hold the same unto Trustee upon the trusts, covenants and agreements herein expressed;

For the purpose of securing:

First: Payment of the indebtedness evidenced by a promissory note of even date herewith in the principal sum of **Seven hundred seventy thousand - - - - - Dollars (\$ 770,000.00)**

Magnuson Ranch, a partnership, John C. Carpenter, Jr., Roseann made by Carpenter, his wife, and Andrew J. Magnuson payable to the order of The Connecticut Mutual Life Insurance Company at its Home Office in Hartford, Connecticut, according to the tenor and effect thereof, all renewals, extensions and/or modifications of said note, and any additional sums and interest thereon which may hereafter be loaned to Trustor, or to the heirs, successors or assigns of Trustor, by Beneficiary. Each additional loan hereafter made and interest thereon shall be secured by this Deed of Trust only if made to Trustor while he is the owner of record of his present interest in said property, or to his heirs, successors or assigns while they are the record owners thereof, and shall be evidenced by a promissory note which shall contain a recital indicating that it is secured by this Deed of Trust.

Second: Payment and/or performance of every obligation, covenant, promise and/or agreement of Trustor herein contained; including any sums paid or advanced by Beneficiary pursuant to the terms hereof.

To Protect the Security of This Deed of Trust, Trustor Agrees:

(1) To keep said property in good condition and repair; not to remove, demolish or substantially alter any building thereon, except as hereinafter provided; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon, and to pay when due, all claims for labor performed and materials furnished therefor; to comply with all laws, ordinances, regulations, conditions and restrictions affecting said property, or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of any law, ordinance, regulation, condition or restriction; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.

(2) To pay: at least 10 days before default or delinquency, all taxes and assessments affecting said property, or any part thereof; all taxes or assessments levied or to be levied in the State of Nevada on this deed of trust or on the note or notes or debt or interest secured hereby, or on Beneficiary by reason of its ownership of this Deed of Trust or the note or notes or debt secured hereby, or on account of interest derived therefrom; all assessments on appurtenant water stock; immediately and in full, all liens, encumbrances, charges and claims, with interest, on said property, or any part thereof, which now or hereafter appear to be prior or superior hereto; all costs, fees and expenses of this trust.

(3) To provide and constantly maintain insurance against loss or damage by fire and windstorm, and such other forms of insurance as may reasonably be required by Beneficiary from time to time while the indebtedness hereby secured remains unpaid, in such amount and in such company or companies as Beneficiary shall approve. The policies of such insurance shall be delivered to Beneficiary, with premiums thereon paid, and with loss payable clause satisfactory to Beneficiary attached thereto. Any amount received by Beneficiary under any such insurance policy, may be applied by Beneficiary toward payment of any indebtedness and/or obligation secured hereby, in such order as Beneficiary may determine; or, said amount or any portion thereof may, at the option of Beneficiary, be used either toward payment of the cost of replacing or restoring the improvements partially or totally destroyed to a condition satisfactory to Beneficiary, or be released to Trustor, in either of which events neither Trustee nor Beneficiary shall be obligated to see to the proper application thereof. The amount of any such insurance used toward payment of the cost of replacing or restoring improvements or released to Trustor shall not be deemed a payment of any indebtedness or obligation secured hereby. Any such application, use and/or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(4) To appear in and defend at his own expense the interest of Beneficiary and/or Trustee in any action or proceeding purporting to affect the security hereof, or any of the property hereby conveyed, or the rights, powers and/or duties of Beneficiary and/or Trustee, including but not limited to condemnation proceedings.

(5) Should Trustor fail to pay any of the obligations or to perform any of the agreements, covenants or conditions herein contained, Beneficiary or Trustee may, without notice to or demand upon and without releasing Trustor from any obligation hereunder, pay any of such obligations or perform or cause to be fulfilled any of such agreements, covenants or conditions, including but not limited to the following: pay or compromise any taxes, assessments, liens, encumbrances, charges or claims against the property hereby conveyed, or any part thereof; effect any insurance on the buildings or other improvements; cause the title to be searched or obtain title insurance; appear in, defend or settle any action or proceeding purporting to affect the security hereof, or any of the property hereby conveyed, or the rights, powers and/or duties of Beneficiary and/or Trustee. In exercising any of the rights or powers herein granted, Beneficiary and/or Trustee may employ counsel, and incur and pay necessary costs and expenses, including the cost of any title search or title insurance, and counsel fees in a reasonable amount. All sums expended, paid or advanced by Beneficiary or Trustee, under the provisions of this Deed of Trust, shall be immediately repayable by Trustor upon demand, shall bear interest at the rate of 8% per annum until paid, and shall, with the interest thereon, be secured by this Deed of Trust.

(6) As additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of this Trust, to collect the rents, issues and profits of said property, reserving unto Trustor the right; prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any obligation or agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, by agent or by a receiver to be appointed by a court, and

without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property, or any part thereof, in its own name, sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness and/or obligation secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, or any part thereof, the collection of such rents, issues and profits or the application thereof as aforesaid, shall not cure or constitute a waiver of any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(7) The rents, royalties, bonuses and benefits under any existing and/or future oil, gas or mineral lease of any of said property are hereby assigned to Beneficiary as additional security for the payment of the debt hereby secured. Trustor may collect and retain such rents, royalties, bonuses and benefits until default hereunder or under the note or notes hereby secured. In case of any such default, Beneficiary is hereby granted the unconditional right and power, at its option, to demand, receive and collect such rents, royalties, bonuses and benefits and apply same toward payment of the debt hereby secured, but Beneficiary shall not be bound hereby to demand, receive or collect any of such rents, royalties, bonuses or benefits and shall not be responsible for failure to exercise the rights hereby granted.

(8) To pay promptly all instalments due others upon agreements of lease or conditional sale contracts of all fixtures, furnishings and equipment located on said property. Should Trustor fail to make any such payment, Beneficiary may, without demand or notice, pay or satisfy the same and the amount so expended shall bear interest at the rate of 8% per annum and shall be payable by Trustor to Beneficiary upon demand and shall, with the interest thereon, be secured by this instrument. All windmills, pumps, pumping plants and irrigation equipment used for the irrigation of said property, or for stock watering or domestic purposes thereon, all motors, engines and devices for the operation of said windmills, pumps, pumping plants and irrigation equipment, all refrigerator systems, fire prevention and extinguishing apparatus, all lighting, heating and ventilating fixtures and equipment, and all motors, engines, dynamos and boilers, now or hereafter installed in, on or about said property, irrespective of the manner of installation, are and/or immediately upon the installation thereof, shall become and be fixtures and a part of the realty and shall not be removed from said property without the written consent of Beneficiary.

(9) That if the property herein described, or any part thereof, is now or hereafter included in any irrigation, reclamation, drainage, conservation, road, or other district, now or subsequently organized, or should any district, now or subsequently organized, increase its bonded indebtedness so that in the opinion of Beneficiary the value of the property hereby conveyed becomes inadequate as security for the indebtedness hereby secured, Beneficiary being the sole and only judge of such inadequacy, then Beneficiary shall be entitled at its option to call upon Trustor either to reduce the unpaid balance of the indebtedness as required by Beneficiary, or to furnish additional security satisfactory to Beneficiary, and in the event that Trustor shall fail or refuse to meet any such requirement for sixty days after written notice so to do has been given Trustor by Beneficiary, Beneficiary may, at its option, and without further notice to or demand on Trustor, declare the note or notes hereby secured due and payable, and may proceed to have the property above described sold in accordance with the terms of this Deed of Trust.

(10) Trustor hereby grants, assigns, transfers and sets over unto Trustee, for the uses and purposes herein set forth, all right, title and interest in and to all leases, permits, allotments or licenses, and all renewals and extensions thereof, covering lands or privileges now or hereafter used in conjunction with the fee-owned property hereinabove described, including but not limited to the following:

LEASE NO. 3790-M, dated October 9, 1962 from Southern Pacific Company to Magnuson Ranch. (year to year lease) Per attached EXHIBIT "C".

United States Department of the Interior, Bureau of Land Management:

Permit to graze

6716 AUM'S on Nevada Grazing District #1 (Jiggs, Lamoille, North Fork Units);
6450 AUM'S on Nevada Grazing District #3 (Fallon, Gabbs, Finger Rock Units);
10,290 AUM'S on Nevada Grazing District #6 (New Pass, Smith Creek, Ione, Austin, Carico Lake and Argenta Units).

Humboldt National Forest:

Permit to graze 8470 head of sheep, AND 2430 head of sheep.

together with all right, title and interest in and to all buildings, structures, fences, pumps, pumping equipment, pipes, pipelines, wells, tanks, dams, reservoirs and other improvements of every nature and description now or hereafter located on the lands covered by such leases, permits, allotments or licenses, and all water and water rights located thereon or appurtenant thereto. Trustor covenants that he is the lawful owner and holder of the leases, permits, allotments and/or licenses hereinabove specifically described and that the same are free from encumbrance and have not been assigned; that he will procure renewals or extensions thereof and of all other leases, permits, allotments or licenses now or hereafter held by Trustor as aforesaid, upon or prior to the respective expiration dates thereof and will execute any instrument deemed by Beneficiary necessary to effect an assignment or waiver of such renewals or extensions for its benefit hereunder; that he will pay all rents and other charges and do all acts and things necessary to preserve and keep in good standing all of said leases, permits, allotments or licenses and any renewals or extensions thereof; that he will take no action which would adversely affect any of his rights or his preference status thereunder and that in the event of the exercise of the power of sale hereunder or the foreclosure of this deed of trust as a mortgage, as herein provided, he will waive all claims for preference in any such rights upon demand by the purchaser of the fee-owned property or any successor to such purchaser; that the lands covered by said leases, permits, allotments or licenses and renewals or extensions thereof, shall at all times be operated in conjunction with said fee-owned property and neither shall be transferred to any other person separately from the other; and, in case of failure of Trustor to pay any of the rents or other charges payable under the terms of any of said leases, permits, allotments or licenses, Trustor or Beneficiary may, at its option, make payment thereof and any amount so paid, with interest thereon at the rate of eight (8%) per cent per annum, shall be a part of the principal debt and shall be secured by this deed of trust and shall be a lien on the fee-owned property hereinabove described.

It is Mutually Agreed That:

(1) All moneys and awards payable as damages and/or compensation for the taking of, or damage to, all or any portion of the property hereby conveyed by reason of any condemnation, eminent domain, change of grade, or other proceeding, and all damages payable in connection with injury to said property, or any part thereof, are hereby assigned and shall be paid to Beneficiary; judgment therefor shall be entered in favor of Beneficiary, and such moneys, awards and damages received by Beneficiary may be applied toward payment of any indebtedness and/or obligation hereby secured in such order as Beneficiary may determine, or, at the option of Beneficiary, released to Trustor.

EXHIBIT "B"

MAGNUSON RANCHWATER RIGHTS

	Priority Date	Harvest	Meadow Past.	Diversified Past.
<u>J. H. Carter--Proof #00663</u>				
Willow Creek & Rattlesnake Creek	1873	39.00		
	1874	21.00		
	1875	43.00		
	1876	42.00		77.00
	1877	10.00		
	1878	10.00		
	1879	30.00		
	1881	13.60		
	1885	74.46		51.56
	1889	13.60		
	1893	13.60		
	1897	13.60		
	1901	13.64		
	1902	85.00		
	1905			
Totals		422.50	-0-	132.92
<u>Bert Stoddard--Proof #00652</u>				
Welch Creek and South Fork Humboldt River	1902	85.00		
	1903	52.90		8.00
	1904	11.60		41.00
Totals		149.50	-0-	49.00
<u>Estate of Mamie Winstead--Proof #00388</u>				
Rattlesnake Creek	1869	35.00		
	1870	35.00		
	1871	35.00		
	1872	35.00		
	1873	7.66		25.51
	1876	90.00		
	1877	29.87		
	1878	29.87		
	1879	29.87		
	1880	29.87		
	1881	29.87		
	1882	29.87		
	1883	29.88		145.36
Pearl Creek	1873			15.67
Totals		446.76	-0-	166.56

Magnuson Ranch Water Rights--page two

	Priority Date	Harvest	Meadow Past.	Diversified Past.
<u>Drown Bros.--Proof #00385</u>				
South Fork of Humboldt River*	1873	62.40		
South Branch of South Fork of	1874	6.00		
Humboldt River, Rock Springs	1875	219.80		
Creek, Pearl Creek and East	1876	15.10		
of Pearl Creek	1879	29.60		
	1880	14.60		
	1881	14.50		
	1882	29.50		77.00
	1884	42.30		
	1885	31.00		
	1886	32.90		
	1887	20.20		
	1888	11.20		
	1889	23.10		
	1892	11.90		
	1895	11.90		43.50
	1898	11.90		
	1901	11.90		
	1904	11.90		121.80
*Right from South Fork and out of Ditch #2 to date from 1898				
Pearl Creek	1877	8.00		
	1878	3.00		
	1890			33.30
Totals		622.70	-0-	275.60
Mildred Elmore, Walter S. Elmore, Mildred C. Clubine--Proof #00241				
Humboldt River	1872	209.00	40.00	162.72
Totals		209.00	40.00	162.72
Mildred Elmore, Walter S. Elmore, Mildred C. Clubine--Proof #00241				
Rabbit Creek	1872			47.70
		-0-	-0-	47.70
<u>Chas. Mitchell--Proof #00362</u>				
Spring and Gulch	1879	44.60		
Mitchell Creek	1876	124.70		
Totals		169.30	-0-	-0-

Magnuson Ranch Water Rights -- page three

	Priority Date	Harvest	Meadow Past.	Diversified Past.
<u>C. H. Kleckner--Proof #00668</u>				
South Fork of Humboldt River	1873	6.26		8.26
and Welch Creek*	1902	37.70	32.07	
Kleckner Canyon	1873	1.65		
Springs and Natural Draws	1900	5.00		
and Kleckner Canyon#	1901	40.15		
	1905			21.61
Totals		90.76	32.07	29.87

*Claimant has ditch diverting water from South Fork into Welch Creek
 #Priority in Kleckner Canyon 1905. Water to be used from natural draws
 and springs before diverting from Kleckner Canyon.

Chas. Hairgrove--Proof #00680

Rattlesnake Creek	1902	9.52		
	1903	5.95		
	1905			100.00
Totals		15.47	-0-	100.00

Javier Goyeneche--Proof #00656

Lindsay Creek and Unnamed	1869	13.98		
Canyon	1870	13.97		
	1871	13.97		
	1872	13.97		
	1873	13.97		
Totals		69.86	-0-	-0-

Henry Peters--Proof #00659

Peters Creek and Springs	1900	4.94		
	1901	.55		
	1903	5.34		
	1904	19.41		
Totals		30.24	-0-	-0-

Magnuson Ranch Water Rights -- page four.

RECAPTULATION

<u>Proof No.</u>	<u>Harvest</u>	<u>Meadow Pasture</u>	<u>Diversified Pasture</u>
00663	422.50	-0-	132.92
00652	149.50	-0-	49.00
00388	446.76	-0-	186.56
00385	622.70	-0-	275.60
00241	209.00	40.00	162.72
00241	-0-	-0-	47.70
00362	169.30	-0-	-0-
00668	90.76	32.07	29.87
00680	15.47	-0-	100.00
00656	69.86	-0-	-0-
00659	30.24	-0-	-0-
Total	2,226.09	72.07	984.37

HARVEST	2,226.09	at 3	acre ft.	per acre	=	6,678.27	acre ft.
MEADOW PASTURE	72.07	at 1.5	" " " "	=	108.10	" "	
DIVERSIFIED PASTURE	984.37	at .75	" " " "	=	738.28	" "	
	3,282.53				7,524.65	acre ft.	

EXHIBIT "C"LEASELEASE NO. 3790-M

This Lease, made in duplicate October 9, 1962, by and between SOUTHERN PACIFIC COMPANY, a corporation of the State of Delaware, hereinafter called "Lessor" and MAGNUSON RANCH, co-partnership, John C. Carpenter Jr., and Andrew J. Magnuson, co-partners, hereinafter called "Lessee",

Witnesseth: That Lessor in consideration of the covenants and agreements to be kept and performed by Lessee as hereinafter written, does, by these presents, lease unto Lessee, subject to the exceptions and reservations set forth herein, for the purpose of **GRAZING** only, but for no other purpose whatsoever, the following described land, situate in the County of Elko, State of Nevada.

TRAIL SECTIONSTownship 35 North, Range 54 East, MDB&M

Section 1: All
13: NE $\frac{1}{4}$;

Township 36 North, Range 54 East, MDB&M

Section 1: All
13: All
25: All, EXCEPT 20.00 acres enclosed in SE $\frac{1}{4}$ SE $\frac{1}{4}$;

Township 37 North, Range 54 East, MDB&M

Section 25: All

Township 34 North, Range 55 East, MDB&M

Section 5: Lots 1, 2, 3, and 4; S $\frac{1}{2}$ N $\frac{1}{2}$; S $\frac{1}{2}$;

Township 35 North, Range 55 East, MDB&M

Section 7: E $\frac{1}{2}$ SW $\frac{1}{4}$; Lots 3 and 4;
19: All, EXCEPT a parcel 300' x 300' in E $\frac{1}{2}$ NE $\frac{1}{4}$ containing 2.07 acres conveyed to American Telephone and Telegraph Company by Deed dated September 13, 1950.
31: All

Containing 5,449.72 acres, more or less, for the term of one year, from August 1, 1962 to July 31, 1963, unless sooner terminated as hereinafter provided.

(year to year lease)

(2) By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

(3) At any time, or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and said note or notes for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may: reconvey any part of said property; consent to the making of any map or plat thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.

(4) Upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed of Trust and said note or notes to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto". The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof.

(5) If breach or default be made in the prompt payment, when due, of any sum secured hereby, or in the performance of any promise or agreement contained herein, or contained in any conveyance under which Trustor claims or derives title, then and at any time thereafter Beneficiary may, at its option, declare all sums secured hereby immediately due and payable, without demand or notice; and Beneficiary or Trustee shall record in the office of the County Recorder of the county or counties wherein said property or any part thereof is situated, a notice of such breach or default and election to cause said property to be sold to satisfy the indebtedness and obligations secured hereby, as provided by the laws of the State of Nevada with reference to the foreclosure of deeds of trust.

On application of Beneficiary, and after at least three months shall have elapsed following the recordation of said notice of breach or default, Trustee shall give notice of the time and place of sale in the manner and for a time not less than that required by law for the sale or sales of real property under execution, and without demand on Trustor, shall sell said property at the time and place of sale fixed in said notice of sale, either as a whole or in separate parcels, and in such order as Trustee may determine, at public auction, to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement, and without further notice, Trustee may make such sale at the time to which the same shall be so postponed. Trustee shall deliver to the purchaser his deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in any such deed of any matters or facts stated either specifically or in general terms, or as conclusions of law or fact, shall be conclusive proof of the truthfulness thereof, and such deed shall be conclusive against all persons as to all matters or facts therein recited. Any person, including Trustor, Trustee or Beneficiary, may purchase at such sale. Trustor hereby agrees to surrender immediately, and without demand, possession of said property to any purchaser at any sale held hereunder. In the conduct of any such sale Trustee may act himself, or through any auctioneer, agent or attorney. In addition to the indebtedness and other obligations secured hereby, Trustor hereby agrees to pay the expenses of such sale and of this trust, and compensation of Trustee in an amount equal to one per cent (1%) of the amount secured hereby and remaining unpaid, but in no event less than Twenty-five Dollars (\$25.00), and counsel fees in an amount equal to five per cent (5%) of the amount remaining unpaid and secured hereby, but in no event less than One Hundred Dollars (\$100.00), and also such sums, if any, as Trustee or Beneficiary shall have paid for procuring an abstract of title or search of or certificate or report or insurance as to the title to said property, or any part thereof, subsequent to the execution of this instrument, all of which sums shall be secured hereby and become due upon any default hereunder made by Trustor. Trustee shall apply the proceeds of any sale held hereunder to the satisfaction of the sums secured hereby, in such order and to such extent as Beneficiary, in the exercise of its absolute discretion, may direct. Any surplus in the hands of Trustee after the payment of all sums secured hereby, shall be paid to the person or persons legally entitled thereto on the proof of such right.

Beneficiary, from time to time before Trustee's sale, may rescind any such notice of breach or default and of election to cause to be sold said property by executing and delivering to Trustee a written notice of such rescission, which notice, when recorded, shall also constitute a cancellation of any prior declaration of default and demand for sale. The exercise by Beneficiary of such right of rescission shall not constitute a waiver of any breach or default then existing or subsequently occurring, or impair the right of Beneficiary to execute and deliver to Trustee, as above provided, other declarations of default and demands for sale, and notices of default, and of election to cause to be sold said property to satisfy the obligations hereof, nor otherwise affect any provision, covenant or condition of said note or notes and/or this Deed of Trust, or any of the rights, obligations or remedies of the parties thereunder.

(6) Each married woman who joins in executing this Deed of Trust and any note or notes hereby secured, hereby agrees and expressly assents to the liability of her separate property for all of her debts and obligations herein mentioned. Such assent, however, shall not be deemed to create a present lien or encumbrance upon any of her separate property not described herein.

(7) Trustee and Beneficiary, and each of them, shall be entitled to enforce payment of any indebtedness or obligation and/or performance and observance of any agreement secured hereby, and to exercise all rights and powers under this Deed of Trust, or under any other agreement or any laws now or hereafter in force, notwithstanding that some or all of said indebtedness and obligations secured hereby are now or shall hereafter be otherwise secured, whether by mortgage, deed of trust, pledge, lien, assignment or otherwise. Neither the acceptance of this Deed of Trust nor its enforcement, whether by court action or pursuant to the power of sale or other powers herein contained, shall prejudice or in any manner affect Trustee's or Beneficiary's right to realize upon or enforce any other security now or hereafter held by Trustee or Beneficiary, it being agreed that Trustee and Beneficiary, and each of them, shall be entitled to enforce this Deed of Trust and any other security now or hereafter held by Beneficiary or Trustee in such order and manner as they, or either of them, may in their uncontrolled discretion determine.

(8) Without affecting the liability of any other person liable for the payment, performance or observance of any obligation herein mentioned and without affecting the lien or charge of this Deed of Trust upon any property not then or theretofore released as security for the full amount of all unpaid obligations, Beneficiary may from time to time, and without notice: Release any person so liable, extend the maturity or alter any of the terms of any such obligation, or grant other indulgences, release or reconvey, or cause to be released or reconveyed, at any time, at Beneficiary's option, any parcel or portion or all of the real property described herein, take or release any other additional security for any obligation herein mentioned, and/or make compositions or other arrangements with debtors in relation thereto.

(9) Beneficiary is authorized by itself, its agents or workmen, to enter at any time upon any part of said property and the improvements situated thereon for the purpose of inspecting the same, and for the purpose of performing any of the acts it is authorized to perform under the terms of this Deed of Trust.

(10) 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. The term "Beneficiary" shall include not only the original Beneficiary hereunder but also any future owner, holder, or pledgee of the note or notes secured hereby. 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.

(11) Beneficiary may from time to time by instrument in writing, appoint a successor or successors to, or discharge and appoint a new Trustee in the place of any Trustee named herein or acting hereunder, which instrument shall be executed and acknowledged by Beneficiary, and recorded in the office of the County Recorder of the County where said property is situated, and such successor or successors or new Trustee shall have all the estate, powers and duties of said predecessor Trustee.

(12) Any deed, deed of appointment, conveyance, reconveyance or instrument appointing a new Trustee herein provided for may recite any facts relating to the execution of the trust or upon which the regularity, effectiveness or validity of any such instrument depends, and all such recitals shall be conclusive proof of the facts recited, and the receipt for the purchase money recited or contained in any deed executed to the purchaser as aforesaid, shall be sufficient discharge to such purchaser from all obligation to see to the proper application of the purchase money, according to the terms of this Deed of Trust.

(13) The trusts herein and hereby created are irrevocable by Trustor and the right to plead any statute of limitations or similar bar as a defense to any demand, claim or cause of action based upon or arising from each failure to pay any sum or to perform any obligation, the payment or performance of which is secured hereby, is hereby waived to the full extent and for the maximum period permitted by applicable law, which waiver as to each such failure shall be separate and distinct from any such waiver as to each other such failure.

(14) No delay or omission by Beneficiary in the exercise of any right or remedy accruing upon any default or in the doing of any of the matters and things by it permitted to be done under the terms and provisions of this Deed of Trust and said note or notes, shall impair any such right or remedy, nor be construed to be a waiver of any such default or acquiescence therein, nor shall it affect any subsequent default of the same or a different nature and every such right or remedy may be exercised from time to time and as often as it is deemed expedient by Beneficiary.

The undersigned Trustor requests that a copy of any notice of default and of any notice of sale hereunder be mailed to him at his mailing address opposite his signature hereto. Failure to insert such address shall be deemed a waiver of any request hereunder for a copy of such notices.

In Witness Whereof, Trustor has executed this instrument.
Mailing address:

MAGNUSON RANCH, a partnership

John C. Carpenter, Jr.
John C. Carpenter, Jr., partner

John C. Carpenter, Jr.
John C. Carpenter, Jr.

Roseann Carpenter
Roseann Carpenter

Andrew J. Magnuson
Andrew J. Magnuson

STATE OF NEVADA

COUNTY OF ELKO

ss.

On this 5th day of April, A.D. 1967, personally appeared before me, a Notary

Public in and for Elko County, State of Nevada

John C. Carpenter, Jr., partner, for Magnuson Ranch, a partnership, known to me to be the person described in and who executed the foregoing instrument, who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at my office in the said

Elko County the day and year in this certificate first above written.



My Commission expires:

19

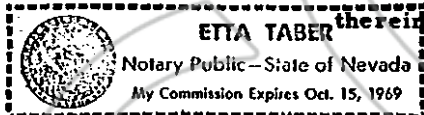
Etta Taber
Etta Taber
Notary Public in and for the County of
Elko, State of Nevada.

STATE OF NEVADA)

) ss.

County of ELKO)

On this 5th day of April, 1967
personally appeared before me, a Notary Public, in and for said
County and State John C. Carpenter, Jr., and
Roseann Carpenter, husband and wife,
and Andrew J. Magnuson, a single man
known to me to be the persons described in and who executed the
foregoing instrument, who acknowledged to me that they execu-
ted the same freely and voluntarily and for the uses and purposes
therein mentioned.



Etta Taber
Etta Taber Notary Public.

ACKNOWLEDGMENT

COUNTY OF

On this day of, A.D. 19, personally appeared before me, a Notary
Public in and for County, State of

known to me to be the of the corporation that executed the foregoing instrument, and upon
oath did depose that he is the officer of said corporation as above designated; that he is acquainted with the seal of said
corporation and that the seal affixed to said instrument is the corporate seal of said corporation; that the signatures to
said instrument were made by officers of said corporation as indicated after said signatures; and that said corporation
executed said instrument freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at my office in the said County
of, the day and year in this certificate first above written.

My Commission expires:

19

Notary Public in and for the County of

14530, State of Nevada.

File No.

RECORDED AT THE REQUEST OF
Title Insurance & Trust Co.

May 9, A. D. 1967

at 00 minutes past 2 P. M.

in Book 18 of OFFICIAL RECORDS

Page 522-542

Book of

ELKO COUNTY, NEVADA

Recorder

Page

23