

SUBORDINATION AGREEMENT

WHEREAS, BEVERLY PETERSEN, owns a home situate on lands described in that certain unrecorded Deed of Trust, dated February 27, 1975, a copy of which is attached hereto as Exhibit A and incorporated herein by reference, wherein BURKE PETERSEN and YVONNE PETERSEN, his wife, are Trustors, FIRST AMERICAN TITLE COMPANY OF NEVADA, is Trustee, and THE TRAVELERS INSURANCE COMPANY is Beneficiary.


NOW, THEREFORE, the undersigned, BEVERLY PETERSEN, does hereby subordinate any and all of her right, title and interest in and to any of the lands described in that certain Deed of Trust attached hereto as Exhibit A, in favor of THE TRAVELERS INSURANCE COMPANY.

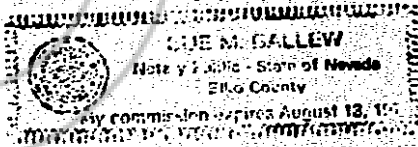
DATED this 4th day of March, 1975.


BEVERLY PETERSEN

STATE OF NEVADA)
) SS.
COUNTY OF ELKO)

On this 4th day of March, 1975, personally appeared before me, a Notary Public, BEVERLY PETERSEN, who acknowledged to me that she executed the foregoing instrument.


NOTARY PUBLIC



This Deed of Trust, made this 27th

day of February,

1975

Between BURKE PETERSEN and YVONNE PETERSEN, husband and wife

whose address is

P.O. Box 36
(Street and Number)

Eureka
(City)

Nevada
(State)

herein called (whether one or more) Trustor,
FIRST AMERICAN TITLE COMPANY OF NEVADA

a California Corporation, herein called Trustee, and THE TRAVELERS INSURANCE COMPANY, a corporation organized and existing under the laws of the State of Connecticut, having its principal office at One Tower Square, Hartford, Connecticut, herein called Beneficiary,

Witnesseth:

That Trustor hereby Irrevocably Grants, Bargains, Sells, Transfers, Conveys, Assigns and Confirms unto Trustee, in Trust, with Power of Sale, all that property in the

County of Eureka, Lander, Nyo
and White Pine

and State of California, described as:

For the purpose of expediting the recording thereof, this Deed of Trust is executed in four counterparts, each of which is deemed an Original Deed of Trust and may be recorded as such.

TOGETHER WITH all easements and rights of way used in connection therewith or as a means of access thereto, and all and singular the tenements, hereditaments and appurtenances thereof, including all water and water rights (whether riparian, appropriative or otherwise and whether or not appurtenant) now or hereafter relating to or used in connection therewith; all shares of stock evidencing any such water right; and all irrigation equipment, including but not limited to, all pumps, pumping stations, motors, engines, machinery, tanks, reservoirs, pipes, flumes, fences, and other machinery and equipment now or hereafter annexed (whether actually or constructively) to said property or used for the production of water on said property or for the irrigation or drainage thereof, which it is agreed shall be construed and considered as affixed to and part of said property and subject to all of the provisions hereof;

TOGETHER WITH all trees and vines with their stakes, trellises and supports therefor; and all additions thereto and replacements thereof now or hereafter placed or installed thereon, which it is agreed shall be construed and considered as affixed to and part of said property and subject to all of the provisions hereof;

TOGETHER WITH all right, title and interest of the trustor in all oil, gas and other hydrocarbon substances and minerals of any kind or nature lying in, under, or that may be produced from the aforesaid property;

AND TOGETHER WITH all of the rents, issues and profits of the aforesaid property. Subject, However, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits;

For the Purpose of Securing:

BOOK 51 PAGE 112

One: Payment of the indebtedness evidenced by one promissory note (and any renewals, extensions or modifications thereof) of even date herewith, payable to the order of the Beneficiary in the principal sum of One Million and No/100-

Dollars (\$ 1,000,000.00) legal tender of the United States of America, made, executed and delivered by Trustor to Beneficiary for money loaned in the principal sum last above stated, with interest thereon as provided in said note.

Two: Payment of such additional sums, with interest thereon, as may be hereafter borrowed from Beneficiary by

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D E S C R I P T I O N

All that certain lot, piece or parcel of land situate in the County of Nye and County of Eureka, State of Nevada, more particularly described as follows:

PARCEL I - NYE COUNTY

TOWNSHIP 14 NORTH, RANGE 48 EAST, M.D.B.&M.

Section 23: W1/2SE1/4

TOWNSHIP 14 NORTH, RANGE 51 EAST, M.D.B.&M.

Section 10: N1/2NE1/4

Section 11: N1/2NW1/4

Section 24: W1/2SW1/4; NE1/4SW1/4; NW1/4SE1/4.

TOWNSHIP 15 NORTH, RANGE 53 EAST, M.D.B.&M.

Section 23: SW1/4NE1/4

Section 28: NE1/4NW1/4

EXCEPTING from the W1/2SE1/4 of Section 23, Township 14 North, Range 48 East, MDB&M., and the SW1/4NE1/4 of Section 23 and the NE1/4NW1/4 of Section 28, Township 15 North, Range 53 East, MDB&M., an undivided 1/6 of all minerals, oil, gas, and hydrocarbon substances, as granted to JOHN L. BROWN by Deed recorded February 20, 1954 in Book 56 of Deeds, page 70.

ALSO EXCEPTING from the W1/2SE1/4 of Section 23, Township 14 North, Range 48 East, MDB&M., and the SW1/4NE1/4 of Section 23, and the NE1/4NW1/4 of Section 28, Township 15 North, Range 53 East, MDB&M., an undivided 23 1/3 interest in and to all oil, gas, hydrocarbon substances within said land, as granted to SAM RUDNICK by Deed recorded March 11, 1957 in Book 18 of Official Records at page 190.

ALSO EXCEPTING from the W1/2SE1/4 of Section 23, Township 14 North, Range 48 East, MDB&M., and the SW1/4NE1/4 of Section 23 and the NE1/4NW1/4 of Section 28, Township 15 North, Range 53 East, MDB&M., an undivided 40% interest in and to all mineral rights, including, but not limited to "crude oil", petroleum, gas, brea, asphaltum, or any kindred substance with and underlying as reserved in the Deed executed by EUREKA LIVESTOCK COMPANY recorded June 2, 1958 in Book 25 of Official Records at page 482

EUREKA COUNTY

TOWNSHIP 16 NORTH, RANGE 53 EAST, M.D.B.&M.

Section 7: SE1/4NE1/4
Section 8: E1/2; NW1/4NW1/4; S1/2NW1/4; N1/2SW1/4; SE1/4SW1/4
Section 9: NE1/4NE1/4; S1/2NE1/4; NW1/4NW1/4; S1/2NW1/4; S1/2
Section 10: N1/2; N1/2S1/2; SW1/4SE1/4; S1/2SW1/4
Section 11: S1/2NE1/4; NW1/4; N1/2SW1/4
Section 12: N1/2

TOWNSHIP 16 NORTH, RANGE 54 EAST, M.D.B.&M.

Section 6: S1/2SW1/4
Section 7: Lots 1 & 2 of the NW1/4

TOWNSHIP 17 NORTH, RANGE 49 EAST, M.D.B.&M.

Section 24: Homestead Entry No. 174, comprising Tracts "A" and "B", embracing a portion of, approximately Section 24 in Township 17 North of Range 49 East of the Mount Diablo Meridian, Nevada, more particularly bounded and described as follows:

Beginning for the description of Tract "A" at corner No. 1, identical with the Southwest corner to Section 19 in Township 17 North, Range 50 East of the Mount Diablo Meridian; thence, North 87° West 43.66 chains to Corner No. 2; thence, North 2°40' West 3.44 chains to Corner No. 3; thence North 73°35' East 22.53 chains to Corner No. 4; thence, South 63°30' East 10.92 chains to corner No. 5; thence, South 84°24' East 12.41 chains to Corner No. 6; thence, South 0°4' East 5.98 chains to Corner No. 1, the place of beginning.

Beginning for the description of Tract "B" at Corner No. 7, from which Corner No. 2 of said Tract "A" bears South 87° East 50 links distant; thence North 87° West 27.75 chains to Corner No. 8; thence, North 39°12' East 12.76 chains to Corner No. 9; thence North 39°29' West 16.96 chains to Corner No. 10; thence North 47° East 4.48 chains to Corner No. 11; thence, South 33°44' East 4.99 chains to Corner No. 12; thence, South 48°30' East 30.75 chains to Corner No. 13; thence North 73°35' East 1.24 chains to Corner

115
115
115

No. 14; thence South 2°40' East 3.28 chains to Corner No. 7; the place of beginning, containing in the aggregate 61.83 acres, according to the official plat of the Survey of said land, returned to the General Land Office by the Surveyor-General.

TOWNSHIP 17 NORTH, RANGE 50 EAST, M.D.B.&M.

Section 7 & 8: Described more particularly as follows: Beginning at Corner No. 1 from which the quarter corner to Sections 8 and 9 in Township 17 North of Range 50 East of the Mount Diablo Meridian bears North 82°35' East 57.53 chains distant; thence South 73°52' West 17.72 chains to Corner No. 2; thence North 76°18' West 27.40 chains to Corner No. 3; thence South 66°29' West 3.30 chains to Corner No. 4; thence North 76°43' West 30.88 chains to Corner No. 5; thence North 56°9' East 5.40 chains to Corner No. 6; thence South 79°52' East 55.00 chains to Corner No. 7; thence North 76°59' East 15.21 chains to Corner No. 8; thence South 37°41' East 5.41 chains to Corner No. 1, the place of beginning; containing 35.65 acres, according to the official plat of the Survey of said land, returned to the General Land Office by the Surveyor-General.

Section 19: Lot 4; SE1/4SW1/4
Section 29: N1/2NW1/4; W1/2NE1/4
Section 30: NE1/4NW1/4; N1/2NE1/4; E1/2SW1/4; N1/2SE1/4
Section 31: W1/2NE1/4; NE1/4NE1/4

TOWNSHIP 18 NORTH, RANGE 49 EAST, MDB&M.

Section 25: N1/2NE1/4

TOWNSHIP 18 NORTH, RANGE 50 EAST, M.D.B.&M.

Section 28: SW1/4NE1/4; NW1/4SE1/4
Section 30: NW1/4NE1/4; NE1/4NW1/4

TOWNSHIP 18 NORTH, RANGE 51 EAST, M.D.B.&M.

Section 18: W1/2NE1/4; E1/2NW1/4; W1/2SE1/4; SW1/4
Section 19: NW1/4NE1/4; W1/2; W1/2SE1/4
Section 30: N1/2; N1/2S1/2

TOWNSHIP 18 NORTH, RANGE 54 EAST, M.D.B.&M.

Section 18: SE1/4NW1/4; NE1/4SW1/4; NW1/4SE1/4; S1/2SE1/4;
Lot 2

Section 19: NE1/4; SE1/4NW1/4; N1/2SE1/4
Section 20: W1/2NW1/4; N1/2SW1/4; SE1/4NW1/4; Lot 1

EXCEPTING from all of those parcels shown in Township 18 North, Range 54 East, MDB&M., except the NE1/4NE1/4 of Section 19, the SE1/4NW1/4, Lot 1, NW1/4NW1/4 and the NE1/4SW1/4 of Section 20, all the coal and other minerals as reserved in Patent executed by the UNITED STATES OF AMERICA recorded August 17, 1932 in Book 21 of Deeds at page 89, Eureka County, Nevada records.

TOWNSHIP 19 NORTH, RANGE 50 EAST, M.D.B.&M.

Section 16: W1/2NE1/4; E1/2NW1/4; SW1/4NW1/4; NW1/4SW1/4
Section 17: SE1/4NE1/4; NE1/4SE1/4

WHITE PINE COUNTY

TOWNSHIP 17 NORTH, RANGE 54 EAST, M.D.B.&M.

Section 1: NW1/4SW1/4

LANDER COUNTY

TOWNSHIP 29 NORTH, RANGE 43 EAST, M.D.B.&M.

Section 35: N1/2NE1/4; SW1/4NE1/4

TOWNSHIP 30 NORTH, RANGE 43 EAST, M.D.B.&M.

Section 36: SE1/4

PARCEL II - EUREKA COUNTY

TOWNSHIP 18 NORTH, RANGE 48 EAST, M.D.B.&M.

Section 14: E1/2SW1/4NW1/4SW1/4; W1/2SE1/4NW1/4SW1/4;
SE1/4SE1/4NW1/4SW1/4; SW1/4SE1/4SW1/4;
SW1/4SE1/4SE1/4SW1/4; S1/2NW1/4SE1/4SW1/4;
NW1/4NW1/4SE1/4SW1/4; SE1/4SE1/4SW1/4SW1/4;
N1/2SE1/4SW1/4SW1/4; NE1/4SW1/4SW1/4;
NE1/4NW1/4SW1/4SW1/4

Section 23: N1/2NE1/4NW1/4; NE1/4SW1/4NE1/4NW1/4;
NW1/4SE1/4NE1/4NW1/4; ALSO: Beginning at
Corner No. 1, from which U.S. Location
Monument No. 253 bears South 26°42' East
1.55 chains distant; thence North 26°42' West
69.97 chains to Corner No. 2; thence North 9°
13' West 17.37 chains to Corner No. 3; thence

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UNITED STATES
18

North 87°44' East 7.72 chains to Corner No. 4; thence South 22°51' East 86.81 chains to Corner No. 5; thence West 7.36 chains to Corner No. 1, the place of beginning, containing 78.92 acres, and being the same parcel conveyed by the UNITED STATES OF AMERICA to GEORGE WILLIAMS by Land Patent dated May 19, 1916 and recorded in Book 18 of Deeds at page 195, Eureka County, Nevada records.

TOWNSHIP 18 NORTH, RANGE 49 EAST, M.D.B.&M.

Section 5: NW1/4SW1/4; SW1/4SW1/4
Section 6: NE1/4SE1/4; SE1/4SE1/4
Section 8: NW1/4NW1/4; S1/2NW1/4; NE1/4SW1/4

TOWNSHIP 19 NORTH, RANGE 49 EAST, M.D.B.&M.

Section 5: W1/2E1/2; E1/2W1/2; W1/2SW1/4; SW1/4NW1/4
Section 6: SE1/4; SE1/4NE1/4;

EXCEPTING therefrom all coal and other valuable minerals as reserved in Patent executed by UNITED STATES OF AMERICA recorded July 6, 1950 in Book 24 of Deeds at page 79, Eureka County, Nevada records.

Section 18: NW1/4NE1/4; NE1/4SW1/4; SE1/4NW1/4; SW1/4SE1/4
Section 19: E1/2SE1/4; NW1/4SE1/4; NE1/4

EXCEPTING from all of the subject property in Section 18 and the N1/2NE1/4, SW1/4NE1/4 and NW1/4SE1/4 of Section 19, all the oil and gas as reserved in Patent executed by UNITED STATES OF AMERICA recorded October 5, 1966 in Book 12 of Official Records at page 209, Eureka County, Nevada.

Section 20: W1/2SW1/4; SW1/4NW1/4

EXCEPTING from the SE1/4SE1/4 of Section 19 and SW1/4SW1/4 of Section 20 all minerals as reserved in Patent executed by UNITED STATES OF AMERICA recorded January 2, 1969 in Book 26 of Official Records at page 534, Eureka County, Nevada.

Section 29: SW1/4NW1/4; NW1/4SW1/4; SW1/4SW1/4
Section 30: E1/2NE1/4; NE1/4SE1/4

EXCEPTING from all of the subject property in Sections 29 and 30 all of the oil and gas as reserved in Patent executed by UNITED STATES OF AMERICA recorded February 21, 1969 in Book 28 of Official Records at page 12, Eureka County, Nevada.

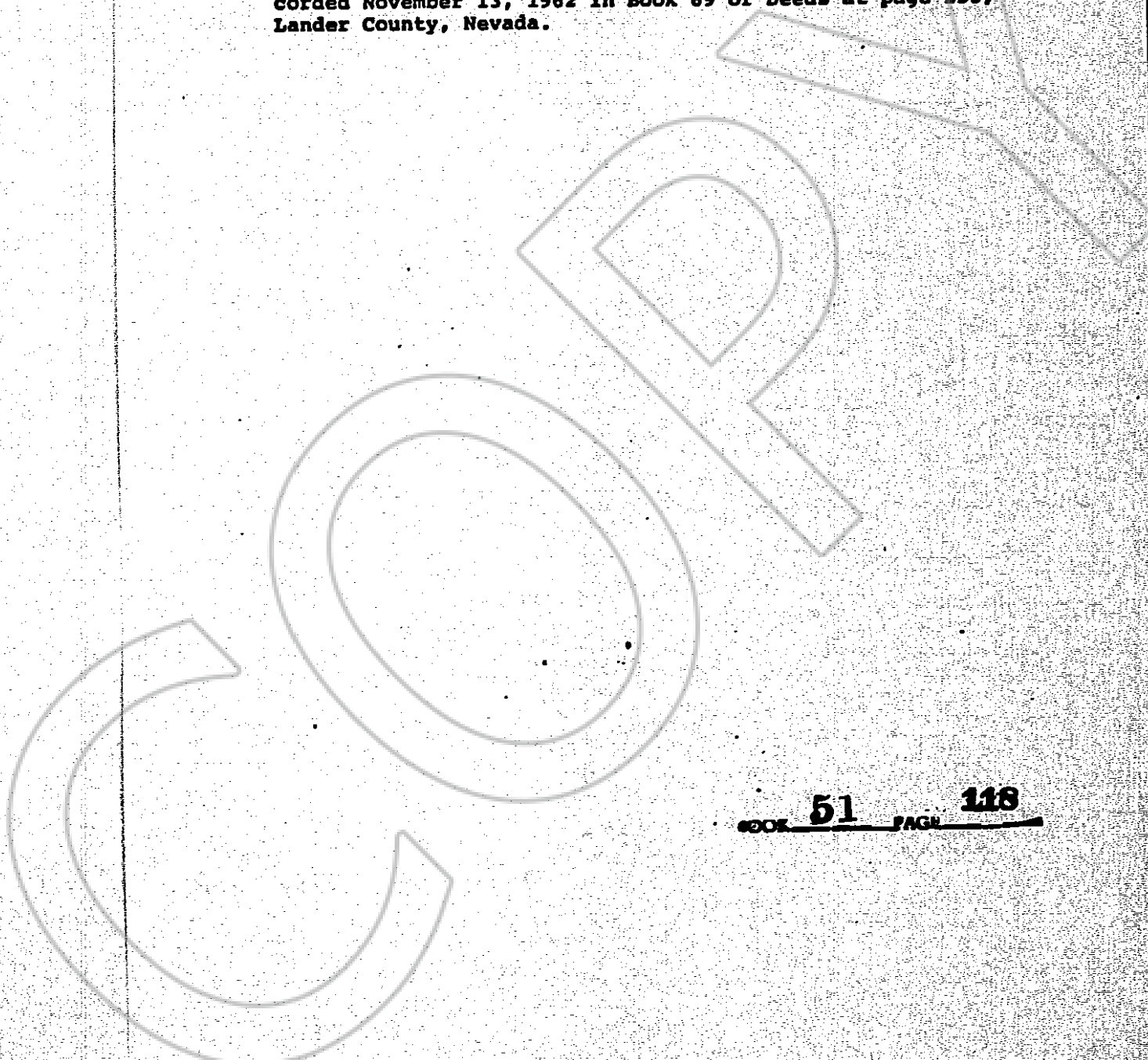
132

LANDER COUNTY

TOWNSHIP 18 NORTH, RANGE 48 EAST, M.D.B.&M.

Section 7: SE1/4; NW1/4; SW1/4 NE1/4; W1/2 SE1/4
Section 18: NW1/4 NE1/4

EXCEPTING from PARCEL IV an undivided one-half of all oil, petroleum, gas and minerals as reserved in Deed executed by CONLAN LAND & LIVESTOCK, INC., recorded November 7, 1962 in Book 26 of Deeds at page 300, Eureka County, Nevada and recorded November 13, 1962 in Book 69 of Deeds at page 250, Lander County, Nevada.



Federal Range Lands and Improvements Thereon

In addition to the lands described above Trustor holds Class 1 permit from the United States under the Taylor Grazing Act on 500,000 acres of Federal range.

It is the intent of the trustor and the Company that said ranch unit shall constitute the security for the note described below and in order to include said Federal range and the improvements thereon as a part of the security, Trustor hereby agrees with the Company, with respect to said Federal range and the improvements thereon, as follows:

- (a) The trustor shall keep all such permits in full force and effect by paying all sums due thereunder, complying with all the terms and conditions thereof and laws, rules and regulations applicable thereto, and apply for all renewals and extensions thereof until the note secured hereby is paid. In default thereof, the Company may at its option, declare the entire balance of the Deed of Trust debt immediately due and payable and foreclose this Deed of Trust and any collateral assignments of leases or may remedy any such default and pay any sums due on account of said permits and all such sums shall immediately be due and payable and shall, with interest at the rate of Twelve (12) percentum per annum from date of payment until repaid by trustor, be secured hereby.
- (b) Upon default in the payment of any part of the indebtedness secured hereby, whether principal or interest, or if default be made in any conditions, stipulation or covenant in this Deed of Trust, then the Company shall have the same rights with respect to such Federal range and the authorized improvements thereon as are provided herein with respect to the land described above. Upon foreclosure and sale of the lands described above, title to the improvements on the Federal range, together with trustor's right to be paid the reasonable value thereof shall pass free of all encumbrances to the purchaser at such sale, and the Company is hereby authorized to then execute, in behalf of trustor, a bill of sale for such improvements and a waiver of trustor's right to be paid the reasonable value thereof.

as affixed to and part of said property and subject to all of the provisions hereof.

TOGETHER WITH all trees and vines with their stakes, trellises and supports therefor, and all additions thereto and replacements thereof now or hereafter placed or installed thereon, which it is agreed shall be construed and considered as affixed to and part of said property and subject to all of the provisions hereof.

TOGETHER WITH all right, title and interest of the trustor in all oil, gas and other hydrocarbon substances and minerals of any kind or nature lying in, under, or that may be produced from the aforesaid property.

AND TOGETHER WITH all of the rents, issues and profits of the aforesaid property, **Subject, However,** to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits:

For the Purpose of Securing:

One: Payment of the indebtedness evidenced by one promissory note (and any renewals, extensions or modifications thereof) of even date herewith, payable to the order of the Beneficiary in the principal sum of One Million and No/100-

Dollars (\$ 1,000,000.00) legal tender of the United States of America, made, executed and delivered by Trustor to Beneficiary for money loaned in the principal sum last above stated, with interest thereon as provided in said note.

Two: Payment of such additional sums, with interest thereon, as may be hereafter borrowed from Beneficiary by Trustor, or his successors and assigns, when evidenced by another promissory note or notes reciting that they are secured by this Deed of Trust. Such additional loans shall be secured hereby only if made to the owner of record of said property at a time when he is such owner of record.

Three: Payment of all other moneys herein agreed or provided to be paid by Trustor, including sums advanced or expended by Beneficiary and Trustee, and interest thereon, pursuant to the provisions hereof, and including, specifically, without limitation, sums advanced or expended by Beneficiary and Trustor for the improvement or protection of the said property or for the protection of the interest of Beneficiary in said property.

Four: Performance and discharge of each and every obligation, promise and agreement of Trustor herein contained or incorporated herein by reference, including without limitation each and every obligation, promise and agreement of Trustor contained in any and all security agreements, supplemental agreements, assignments of lessor's interest in leases, or other instruments of security executed by Trustor as of even date herewith or at any time subsequent to the date hereof for the purpose of further securing any indebtedness hereby secured; or any part thereof; or any further advancements or further or additional loans of any sums hereafter made by Beneficiary to Trustor during the continuance of these trusts and secured hereby, or for the purpose of supplementing or amending this Deed of Trust or any instrument secured hereby.

To Have and to Hold the same unto said Trustee, its successors and assigns, upon the trusts and agreements herein expressed, to-wit:

1. Trustor shall pay: (a) at least twenty (20) days before they become delinquent, all taxes and assessments of every type or nature affecting said real property, including assessments on appurtenant water stock; (b) all other charges and encumbrances which now are or shall hereafter be or appear to be a lien prior to the lien of this Deed of Trust upon said property or any part thereof. In default thereof, Beneficiary may, without demand or notice, pay and discharge said taxes, assessments, charges and encumbrances, and pay such sums of money as it may deem to be necessary therefor, and shall be the sole judge of the legality, validity or priority thereof and of the amount necessary to be paid in the satisfaction thereof.

2. Trustor shall keep all buildings and improvements which now are or shall hereafter be erected or placed upon the said premises unceasingly insured against loss or damage by fire and such other hazards as may be required by the Beneficiary, in form and amounts satisfactory to and in an insurance company or companies approved by Beneficiary; any fire insurance policy shall, at the option of Beneficiary, be for a period of three years with premium prepaid; and all policies of insurance shall be made payable, in case of loss, to Beneficiary (with mortgagee clauses approved by Beneficiary attached thereto) and shall be delivered to and held by Beneficiary as further security; and in default thereof Beneficiary may procure such insurance and may pay and expend for premiums therefor such sums of money as it may deem to be necessary. Beneficiary is authorized and empowered, at its option, to adjust or compromise any loss under any insurance policies on the property hereby conveyed, to collect and receive the proceeds from any such policy or policies and, after deducting from said insurance proceeds any expenses incurred by it in the collection or handling of said fund, to apply the net proceeds, at its election, either toward restoring the improvements or as a credit on any portion of the indebtedness selected by it, whether then matured or to mature in the future. Beneficiary shall not be held responsible for any failure to collect any insurance proceeds due under the terms of any policy, regardless of the cause of such failure, and nothing in this section shall in any way affect the liability of Trustor for payment of the entire balance of the debt secured hereby, and the application of such funds or proceeds shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice. In the event of foreclosure hereof by Trustee's sale or otherwise, any and all policies of insurance and the unearned premiums thereon shall inure to the benefit of and pass to the purchaser of said premises at such Trustee's sale or foreclosure sale.

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3. Trustor shall keep all buildings and improvements which now are or hereafter shall be erected upon said premises in good condition and repair; shall neither remove or demolish any building nor alter or impair the design or structural character of any building or improvement now existing or which may be erected hereafter upon said premises unless Beneficiary shall first consent thereto in writing; and Trustor shall cultivate, irrigate, fertilize, fumigate, prune and care for all crops, vines or trees now or hereafter planted or growing upon said premises; and shall do all other acts which from the character or use of said premises may be reasonably necessary, the specific enumerations herein not excluding the general; and Trustor shall not remove from said premises any fixtures, nor any trees or vines now or hereafter planted, nor the stakes, trellises or supports thereof unless Beneficiary shall first consent thereto in writing; nor shall Trustor permit or commit any waste on said premises; and should Trustor fail to perform any act required of Trustor hereunder, Beneficiary may at its option make advisable or necessary repairs or remedy any waste, or do any other acts which from the character or use of said premises may be reasonably necessary, and Beneficiary, acting through its employees, agents or attorneys, is hereby authorized to enter upon and take possession of said premises for such purpose.

4. Trustor shall pay when due all claims for labor performed and materials furnished on the premises, shall keep the property free of mechanics' and materialmen's liens, shall appear in and defend any action or proceeding purporting to affect said property or the title thereto or the security hereof or the trusts hereby created or the rights or powers of Beneficiary or Trustee; and shall pay all costs and expenses incurred by Beneficiary or Trustee, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may elect to appear, and in any suit brought by Beneficiary to foreclose this Deed of Trust. Beneficiary or Trustee, or both, shall have the right so to appear in any action or proceeding first above referred to and defend the same or settle or compromise any claim involved therein, and shall have the right to pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, may expend such sums of money as they, or either of them, may deem advisable or necessary therefor, including cost of evidence of title and reasonable fees of counsel employed.

5. If said property is now subject to a cotton history, Trustor shall maintain the full cotton history now or hereafter appertaining to said property, and will plant and harvest said property to cotton to the full extent required or permitted by law or Government regulations to maintain said cotton history and allotment including any increase in allotment which may, from time to time, be attributable to said property; and will not pledge, transfer, sell, lease or otherwise encumber, dispose or convey said cotton history or allotment or any part thereof, without prior written consent of Beneficiary first had and obtained, nor do any other act, or fail to perform any requirement of any Governmental rule or regulation required from time to time to maintain or improve said cotton allotment on said property.

6. If Trustor now holds acreage rice allotments which have been used for the growing of rice on said property, Trustor shall maintain the full acreage rice allotments of the United States Department of Agriculture, Agricultural Stabilization and Conservation Service, or any successor agency presently held or hereafter acquired by Trustor, and will plant and harvest said property to rice to the full extent required or permitted by law or Government regulations to maintain said acreage rice allotments, including any increase in allotments which may, from time to time, be attributable to previously held allotments, and will not pledge, transfer, sell, lease or otherwise encumber, dispose or convey Trustor's interest in any portion of said acreage rice allotments now held or hereafter acquired, or any part thereof, without prior written consent of Beneficiary first had and obtained, nor do any other act, or fail to perform any requirement of any Governmental rule or regulation required from time to time to maintain Trustor's acreage rice allotments.

7. Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice or demand upon Trustor and without releasing Trustor from any obligation hereof, may make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof. In exercising any such powers, Beneficiary or Trustee may pay necessary expenses and employ counsel and pay his reasonable fees. Trustor shall pay to Trustee and to Beneficiary, respectively, immediately and without demand all costs, fees and expenses of this trust, including all amounts and sums of money which they shall respectively pay or expend pursuant to the provisions, or any of them, herein contained, together with interest upon each of said amounts from date of expenditure until paid at the rate of ~~4~~ ⁵ percent per annum, and if not so repaid by Trustor, all sums advanced or expended by Trustee or Beneficiary pursuant to the provisions hereof, together with said interest, shall be added to the debt and secured hereby.

8. Trustor shall comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting said property, or requiring any alterations or improvements to be made thereon, and Trustor shall not suffer or permit any act to be done in or upon said property in violation thereof.

9. If default be made in the payment when due of the whole or any part of any of the several installments of principal or interest or both as provided in the promissory note or notes secured by this Deed of Trust, or in the payment when due of the whole or any part of any further advancements or further or additional loans of any sums hereafter made by Beneficiary to Trustor during the continuance of these trusts and secured hereby, or in payment of any other amounts and sums payable by Trustor under the provisions hereof, and Beneficiary shall employ an attorney for the collection of such payment in default, then, without notice or demand or presentment, all costs and expenses of collection and a reasonable attorney's fee shall immediately become due and payable to the Beneficiary at the place of payment aforesaid, anything contained herein or in said promissory note to the contrary notwithstanding, and the amount of such costs, expenses and attorney's fee shall bear interest at the rate of ~~4~~ ⁵ per centum per annum until paid, and if not paid shall be added to and become a part of the total indebtedness and shall be secured hereby.

10. 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 to Trustee for cancellation and retention and upon Trustor's payment of Trustee's fees, Trustee shall reconvey, without warranty, the estate in the property then held by Trustee. The grantee in such reconveyance may be designated and described as the "person or persons legally entitled thereto," or by other appropriate terms. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof.

11. If default be made in the payment when due of the whole or any part of any installments of principal or interest or both as provided in the promissory note or notes secured by this Deed of Trust or in any agreement renewing, extending or modifying said note or notes, or in the payment of any of the other amounts and sums herein agreed to be paid or of any interest thereon, or in the performance of any of Trustor's obligations, promises or agreements hereunder, or in the event that proceedings be instituted by or against the then owner of said property under any bankruptcy or insolvency law, or in the event foreclosure of any junior lien shall be commenced, either of which shall constitute a breach of agreement and in event of default hereunder, then, at its option, Beneficiary may declare the entire unpaid balance of the indebtedness secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold said property, which notice Trustee shall cause to be

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of the whole or any part of any further advancements or further or additional loans of any sums hereafter made by Beneficiary to Trustor during the continuance of these trusts and secured hereby, or in payment of any other amounts and sums payable by Trustor under the provisions hereof, and Beneficiary shall employ an attorney for the collection of such payment in default, then, without notice or demand or presentment, all costs and expenses of collection and a reasonable attorney's fee shall immediately become due and payable to the Beneficiary at the place of payment aforesaid, anything contained herein or in said promissory note to the contrary notwithstanding, and the amount of such costs, expenses and attorney's fee shall bear interest at the rate of four per centum per annum until paid, and if not paid shall be added to and become a part of the total indebtedness and shall be secured hereby.

10. 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 to Trustee for cancellation and retention and upon Trustor's payment of Trustee's fees, Trustee shall reconvey, without warranty, the estate in the property then held by Trustor. The grantee in such reconveyance may be designated and described as the "person or persons legally entitled thereto," or by other appropriate terms. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof.

11. If default be made in the payment when due of the whole or any part of any installments of principal or interest or both as provided in the promissory note or notes secured by this Deed of Trust or in any agreement renewing, extending or modifying said note or notes, or in the payment of any of the other amounts and sums herein agreed to be paid or of any interest thereon, or in the performance of any of Trustor's obligations, promises or agreements hereunder, or in the event that proceedings be instituted by or against the then owner of said property under any bankruptcy or insolvency law, or in the event foreclosure of any junior lien shall be commenced, either of which shall constitute a breach of agreement and an event of default hereunder, then, at its option, Beneficiary may declare the entire unpaid balance of the indebtedness secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold said property, which notice Trustee shall cause to be duly filed for record, or Beneficiary itself may cause such written notice of default to be duly recorded for the same purpose.

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public or private 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 or private announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public or private announcement at the time fixed by the preceding postponement; and without further notice it may make such sale at the time to which the same shall be postponed, provided, however, that the sale or any postponement thereof must be made at the place fixed by the original notice of sale. If said premises consist of several known lots or parcels, Beneficiary may at its sole discretion designate the order in which such parcels shall be sold or offered for sale. Any person, including Trustor, Trustee or Beneficiary, may purchase at such sale.

In the event the foreclosure sale is not concluded and Beneficiary has allowed Trustor to cure any and all defaults occasioned hereunder, then Trustor shall pay to Beneficiary all costs and expenses incurred by Beneficiary as a result of Trustor's default including reasonable attorneys fees for any counsel employed by Beneficiary.

In the event the foreclosure sale is concluded, the proceeds of any such sale shall be distributed in accordance with the provisions of Paragraph 12 hereafter.

12. Trustee, after making such sale and upon receipt of the purchase price, shall make, execute and deliver to the purchaser or purchasers its deed or deeds conveying the property so sold, but without any covenant or warranty, express or implied, and shall apply the proceeds of sale thereof to payment, **Firstly**, of the expenses of such sale, together with the reasonable expenses of this Trust, including reasonable attorney's fees, Trustees' fees and costs of evidence of title in connection with said sale and documentary stamps on Trustee's Deed; **Secondly**, of all moneys paid, advanced or expended by Beneficiary under the terms hereof, including reasonable attorney's fees, not then repaid, together with the interest thereon as herein provided; **Thirdly**, of the amount of the principal and interest on said promissory note or notes then remaining unpaid; and **Lastly**, the balance or surplus, if any, of such proceeds of sale to the person or persons legally entitled thereto, upon satisfactory proof of such right.

13. In the event of a sale of said property, or any part thereof, and the execution of a deed or deeds therefor under these trusts, the recitals therein of any matters or facts shall be conclusive proof of the truthfulness thereof and of the fact that said sale was regularly and validly made in accordance with all requirements of the laws of the State of California and of this Deed of Trust; and any such deed or deeds, with such recitals therein, shall be effectual and conclusive against Trustor and all other persons; and the receipt for the purchase money recited or contained in any deed executed to the purchaser as aforesaid shall be a sufficient discharge to such purchaser from all obligations to see to the proper application of the purchase money according to the trusts aforesaid.

14. As additional security, Trustor hereby grants to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, 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 part of the indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. In case default be made in payment of any part of the indebtedness secured hereby or in performance of any of Trustor's obligations, promises or agreements herein contained, then Beneficiary shall be entitled at any time during the continuance of any such default and without notice, in its sole discretion, either by its agents, attorneys, employees, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, to enter upon and take possession of the above property and every part thereof, exclude Trustor therefrom, to do and perform any acts of repair that Beneficiary may deem necessary or proper to conserve the value thereof, to use, operate, manage and control said property and rent or lease the same or any part thereof for such rental and upon such terms and conditions as its judgment

may dictate, and in its own name to sue for or otherwise collect and receive all rents, issues and profits thereof, including those past due and unpaid as well as those accruing thereafter. In order that the powers in this paragraph contained may be given full force and effect, Trustor further agrees that Beneficiary may also take possession of, and for these purposes use, any and all personal property contained in said premises and used by Trustor in the rental or leasing of said premises or any part thereof. Beneficiary may apply all such rents, issues and profits collected or received by it (less costs and expenses incurred in taking possession, of operation and collection, including reasonable attorney's fees, costs and expenses)

may dictate, and in its own name to sue for or otherwise collect and receive all rents, issues and profits thereof, including those past due and unpaid as well as those accruing thereafter. In order that the powers in this paragraph contained may be given full force and effect, Trustor further agrees that Beneficiary may also take possession of, and for these purposes use, any and all personal property contained in said premises and used by Trustor in the rental or leasing of said premises or any part thereof. Beneficiary may apply all such rents, issues and profits collected or received by it (less costs and expenses incurred in taking possession, of operation and collection, including reasonable attorney's fees, reasonable compensation paid to any agent appointed by Beneficiary and any receiver's fees) upon any portion of the indebtedness secured hereby, and in such order as Beneficiary may determine. Neither the entering upon and taking possession of said property, nor the collection of such rents, issues and profits and the application thereof as aforesaid, shall cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice; nor shall the exercise of this right and power by Beneficiary be construed to be an affirmation by it of any tenancy, lease or option theretofore existing or a subordination of the lien of this Deed of Trust thereto. The right to take such possession and collect such rents, issues and profits shall be cumulative to the right and remedy to declare a default and to cause notice of default to be recorded, and cumulative to any other right or remedy provided herein or at law or in equity, and may be exercised concurrently or independently.

15. In the event the hereinbefore described property or any portion thereof or any interest therein be sold or conveyed during the existence of this Deed of Trust; or in the event the Trustor shall pledge, transfer, sell, lease or otherwise encumber, dispose or convey any portion of any cotton history or allotment applicable to the said property or any portion of any acreage rice allotment presently held or hereafter acquired by Trustor, in either case without prior written approval of Beneficiary; then in any or all such events, the entire indebtedness owing on the Note secured by this Deed of Trust shall, at the option of the Beneficiary herein, become due and payable.

16. All judgments, awards of damages and settlements hereafter made as a result of or in lieu of any condemnation or other proceedings for public use of or for any damage to said premises or the improvements thereon or any part thereof are hereby assigned and shall be paid to Beneficiary. Trustor agrees to execute such further assignments of any such award, judgment or settlement as Beneficiary may require and to deliver to Beneficiary all proceeds of any such award, judgment or settlement which may be received by Trustor. Beneficiary may apply any and all such sums on any portion of the indebtedness selected by it, whether then matured or subsequently to mature; or, at its option, the entire amount so received by it or any part thereof may be released. Neither the application nor the release of any such sums shall cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice; nor shall Beneficiary be held responsible for any failure to collect any award; nor shall anything in this section affect the liability of Trustor for payment of the entire balance of the debt secured hereby.

17. Without affecting the personal liability of any person, including Trustor (other than any person released pursuant hereto), for the payment of the indebtedness secured hereby, and without affecting the lien of this Deed of Trust for the full amount of the indebtedness remaining unpaid upon any property not reconveyed pursuant hereto, Beneficiary and Trustee are respectively authorized and empowered as follows: Beneficiary may, at any time and from time to time, either before or after the maturity of said note, and without notice: (a) release any person liable for the payment of any of the indebtedness, (b) make any agreement extending the time or otherwise modifying the terms of payment of any of the indebtedness, (c) accept additional security therefor of any kind, (d) release any property, real or personal, securing the indebtedness. Trustee may, without liability therefor and without notice, at any time and from time to time so long as the lien or charge hereof shall subsist, but only upon the written request of Beneficiary and presentation of this Deed of Trust and said note for endorsement: (a) consent to the making of any map or plat of the property; (b) join in granting any easement thereon or in creating any covenants restricting use or occupancy thereof, (c) reconvey, without warranty, any part of said property; (d) join in any extension agreement or in any agreement subordinating the lien or charge hereof.

18. If the indebtedness secured hereby is now or hereafter further secured by personal property security agreements and financing statements or other instruments authorized by the California Commercial Code, deeds of trust, pledges, contracts of guaranty or other additional securities, Beneficiary may, at its option, exhaust any one or more of said securities as well as the security hereunder, either concurrently or independently and in such order as it may determine, and may apply the proceeds received upon the indebtedness secured hereby without affecting the status of, or waiving any right to exhaust all or any other security including the security hereunder and without waiving any breach or default or any right or power, whether exercised hereunder or contained herein or in any such other security.

19. Acceptance by Beneficiary of any sum in payment or part payment of any portion of the indebtedness secured hereby after the same is due shall not constitute a waiver of Beneficiary's right to require prompt payment when due of all other sums secured hereby, nor shall such acceptance cure or waive any remaining default or waive any subsequent default or prejudice any of the rights of Beneficiary under this Deed of Trust.

20. Upon the enactment after this date of any State or Federal law imposing upon Beneficiary the payment of the whole or any part of the taxes or assessments or charges or liens herein required to be paid by Trustor, or changing in any way the laws relating to the taxation of deeds of trust or debts secured by deeds of trust or the Beneficiary's interest in the property, or the manner of collection of taxes, so as to affect this Deed of Trust or the debt secured hereby or the Beneficiary, then, and in any such event, the entire unpaid balance of said note and indebtedness shall, at the option of Beneficiary, upon twelve (12) months' written notice to Trustor, be and become immediately due and payable, and after delivery to Trustee of written declaration of default and demand for sale, recordation of written notice of default, and notice of sale having been duly given, Trustee shall make sale of the property, all in accordance with sections No. 11 and No. 12 hereof.

21. Beneficiary may from time to time as provided by statute, or by instrument in writing, appoint another Trustee or Trustees in place and stead of the Trustee herein named, and thereupon, the Trustee herein named shall be discharged and the Trustee so appointed shall be substituted as Trustee hereunder with the same effect as if originally named Trustee herein, which instrument, executed and acknowledged by Beneficiary and recorded in the office of the recorder of the county or counties where said property is situated, shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the date of execution of this Deed of Trust, the name of the original Trustor hereunder, the book and page where this Deed of Trust is recorded, and the name of the new Trustee.

22. Beneficiary, by any authorized agent or employee, may at any reasonable time enter upon and inspect the said property.

23. Trustee and Beneficiary shall be subrogated, notwithstanding their release of record, to the vendor's lien or liens, superior titles, and prior mortgages, deeds of trust, liens, encumbrances, rights, equities and charges of all kinds on the described property to the extent that the same are paid or discharged from the proceeds of the loan represented by the said promissory note and secured by this Deed of Trust.

or power, whether exercised hereunder or contained herein or in any such other security.

19. Acceptance by Beneficiary of any sum in payment or part payment of any portion of the indebtedness secured hereby after the same is due shall not constitute a waiver of Beneficiary's right to require prompt payment when due of all other sums secured hereby, nor shall such acceptance cure or waive any remaining default or waive any subsequent default or prejudice any of the rights of Beneficiary under this Deed of Trust.

20. Upon the enactment after this date of any State or Federal law imposing upon Beneficiary the payment of the whole or any part of the taxes or assessments or charges or liens herein required to be paid by Trustor, or changing in any way the laws relating to the taxation of deeds of trust or debts secured by deeds of trust or the Beneficiary's interest in the property, or the manner of collection of taxes, so as to affect this Deed of Trust or the debt secured hereby or the Beneficiary, then, and in any such event, the entire unpaid balance of said note and indebtedness shall, at the option of Beneficiary, upon twelve (12) months' written notice to Trustor, be and become immediately due and payable, and after delivery to Trustee of written declaration of default and demand for sale, recordation of written notice of default, and notice of sale having been duly given, Trustee shall make sale of the property, all in accordance with sections No. 11 and No. 12 hereof.

21. Beneficiary may from time to time as provided by statute, or by instrument in writing, appoint another Trustee or Trustees in place and stead of the Trustee herein named, and thereupon, the Trustee herein named shall be discharged and the Trustee so appointed shall be substituted as Trustee hereunder with the same effect as if originally named Trustee herein, which instrument, executed and acknowledged by Beneficiary and recorded in the office of the recorder of the county or counties where said property is situated, shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the date of execution of this Deed of Trust, the name of the original Trustor hereunder, the book and page where this Deed of Trust is recorded, and the name of the new Trustee.

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24. From time to time whenever written demand may be made therefor by Beneficiary, Trustor within ten (10) days from such demand, shall execute and deliver to Beneficiary in form and content satisfactory to Beneficiary a security agreement and financing statement covering the chattels and personal property installed on or used in connection with the operation of the said property, and any delay, failure or refusal so to do, shall constitute a default under this Deed of Trust.

25. Trustee, upon presentation to it of an affidavit of Beneficiary signed by a duly authorized officer thereof setting forth facts showing a default by Trustor in the performance of any agreement of Trustor hereunder, is authorized to accept as true and conclusive all facts and statements therein contained and to act thereon hereunder.

26. Any remedy herein provided shall not be exclusive of any other remedy given by the terms hereof or now or hereafter existing at law or in equity, but shall be cumulative.

27. The failure by Beneficiary promptly to exercise any right, power or remedy provided herein or at law or in equity shall not constitute a waiver of the same, nor shall Beneficiary thereby be estopped from later exercising such right, power or remedy.

28. Trustee is not obligated to notify any party hereto of pending sale under any other deed of trust or of any act or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

29. The pleading of the Statute of Limitations as a defense to any and all obligations secured by this Deed of Trust is hereby waived.

30. The trusts created hereby are irrevocable by Trustor.

31. For the furnishing by Beneficiary of any statement or accounting regarding the obligations secured hereby to Trustor or any other person authorized by law to make a written request or demand therefor, the Beneficiary may charge and shall be paid in advance the maximum charge or fee allowed by law at the time of such request or demand.

32. The invalidity of any one or more agreements, provisions, phrases, clauses, sentences or paragraphs of this Deed of Trust shall not affect the remaining portions of this Deed of Trust or any part thereof and this Deed of Trust shall be construed as if such invalid agreements, provisions, phrases, clauses, sentences or paragraphs, if any, had not been inserted herein.

33. This Deed of Trust shall inure to and bind the heirs, legatees, devisees, administrators, executors, successors and assigns of the parties hereto, and shall be so construed that wherever applicable with reference to any of the parties hereto, the use of the singular number shall include the plural number, the use of the plural number shall include the singular number, and the use of any gender shall include all genders. All obligations of Trustor hereunder are joint and several. The term Beneficiary shall mean the owner and holder, including pledgees, of the note secured hereby, whether or not named as Beneficiary herein.

34. Trustor hereby requests that a copy of any notice of default and of any notice of sale hereunder be mailed to him at his address hereinbefore set forth.

35. Trustee accepts this trust when this Deed duly executed and acknowledged is made a public record as provided by law.

Burke Peterson
Burke Peterson

Yvonne Peterson
Yvonne Peterson

TRUSTOR

(OVER)

BOOK 51 PAGE 124

(Individual Acknowledgment)

STATE OF CALIFORNIA NEVADA
COUNTY OF ELKO

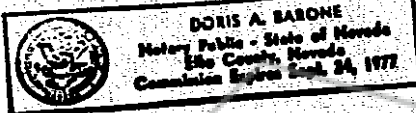
On this 4th day of March, 1975, before me, DORIS A. BARONE,
a Notary Public in and for said Elko County and State, personally appeared
BURKE PETERSEN and YVONNE PETERSEN, husband and wife

(NOTARIAL SEAL)

known to me to be the person whose names subscribed to the with-
in instrument, and acknowledged that they executed the same.
Witness my hand and official seal.

Doris A. Barone
Notary Public in and for said Elko County and State.

My Commission expires: September 24, 1977



(Corporate Acknowledgment)

STATE OF CALIFORNIA
COUNTY OF

On this _____ day of _____, 19____, before me,
_____, a Notary Public in and for said _____ County and State, personally appeared

and
of

known to me to be the
known to me to be the

(NOTARIAL SEAL)

_____, the corporation that executed the
within and foregoing instrument and known to me to be the persons who executed
the within instrument on behalf of the corporation therein named and acknowledged
to me that such corporation executed the same.
Witness my hand and official seal.

Notary Public in and for said _____ County and State.

My Commission expires: _____, 19____

Recorder's Instructions:

Please index this document as a Deed of Trust and as an Assignment of Rents.

Order No. 500079 B (Fish Creek)
Escrow No.

When Recorded Please Mail to:

The Travelers Insurance Company
Real Estate Investment Department
707 S.W. Washington Street
Portland, Oregon 97205

Tran. No. 192116 2

PAM

CALIFORNIA

First Deed of Trust

With Assignment of Rents

Between

Burke Petersen and Yvonne Petersen

Trustors,

and

First American Title Company of Nevada

Trustee,

and

The Travelers Insurance Company

Beneficiary.

Dated February 27, 1975.

Recorded at request of

on the _____ day of _____

19 _____ at _____ M.

in Liber _____, page _____

of Official Records of

County of _____, California.

County Recorder

L-1500 Rev. 5-72 printed in U.S.A.

FIRST AMERICAN TITLE
COMPANY OF NEVADA

RECORDED AT THE REQUEST OF

March 14, 1975 at 04 min. past 2 P. M.

Book 51 of OFFICIAL RECORDS, page 111-126 RECORDS

EUREKA COUNTY, NEVADA

No. 59815

Fee \$18.00

FILE NO. 59815

BOOK 51 PAGE 126