

**REAL ESTATE MORTGAGE**

KNOW ALL MEN BY THESE PRESENTS, That on this 3rd day of March, 1976,

Burke Petersen and Yvonne Petersen, husband and wife

hereinafter called the MORTGAGORS, hereby grant, bargain, sell, convey and mortgage to

MIDLAND PRODUCTION CREDIT ASSOCIATION,

a corporation organized and existing under the Farm Credit Act of the Congress of the United States, as amended, with its principal place of business in the City of Billings

State of Montana, hereinafter called the MORTGAGEE, the following described real estate in the

County of Eureka, State of Nevada, to-wit:

Township 18 North, Range 49 East, M.D.B.&M.

Section 25: N $\frac{1}{2}$ NE $\frac{1}{4}$

Township 18 North, Range 50 East, M.D.B.&M.

Section 28: SW $\frac{1}{4}$ NE $\frac{1}{4}$ , NW $\frac{1}{4}$ SE $\frac{1}{4}$

Section 30: NW $\frac{1}{4}$ NE $\frac{1}{4}$ , NE $\frac{1}{4}$ NW $\frac{1}{4}$

Township 18 North, Range 51 East, M.D.B.&M.

Section 18: W $\frac{1}{2}$ NE $\frac{1}{4}$ , E $\frac{1}{2}$ NW $\frac{1}{4}$ , W $\frac{1}{2}$ SE $\frac{1}{4}$ , SW $\frac{1}{4}$

Section 19: NW $\frac{1}{4}$ NE $\frac{1}{4}$ , W $\frac{1}{2}$ , W $\frac{1}{2}$ SE $\frac{1}{4}$

Section 30: N $\frac{1}{2}$ , N $\frac{1}{2}$ S $\frac{1}{2}$

Township 18 North, Range 54 East, M.D.B.&M.

Section 18: SE $\frac{1}{4}$ NW $\frac{1}{4}$ , NE $\frac{1}{4}$ SW $\frac{1}{4}$ , NW $\frac{1}{4}$ SE $\frac{1}{4}$ , S $\frac{1}{2}$ SE $\frac{1}{4}$ , Lot 2

Section 19: NE $\frac{1}{4}$ , SE $\frac{1}{4}$ NW $\frac{1}{4}$ , N $\frac{1}{2}$ SE $\frac{1}{4}$

Section 20: W $\frac{1}{2}$ NW $\frac{1}{4}$ , N $\frac{1}{2}$ SW $\frac{1}{4}$ , SE $\frac{1}{4}$ NW $\frac{1}{4}$ , Lot 1

EXCEPTING from all of those parcels shown in Township 18 North, Range 54 East, M.D.B.&M., except the NE $\frac{1}{4}$ NE $\frac{1}{4}$  of Section 19, the SE $\frac{1}{4}$ NW $\frac{1}{4}$ , Lot 1, NW $\frac{1}{4}$ NW $\frac{1}{4}$  and the NE $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 20, all of 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: W $\frac{1}{2}$ NE $\frac{1}{4}$ , E $\frac{1}{2}$ NW $\frac{1}{4}$ , SW $\frac{1}{4}$ NW $\frac{1}{4}$ , NW $\frac{1}{4}$ SW $\frac{1}{4}$

Section 17: SE $\frac{1}{4}$ NE $\frac{1}{4}$ , NE $\frac{1}{4}$ SE $\frac{1}{4}$

AND ALL LANDS DESCRIBED IN THE ATTACHED EXHIBIT "A" AND MADE A PART HEREWITH:

together with all the tenements, hereditaments, rights, privileges, appurtenances, and fixtures, including all irrigating and watering apparatus, now or hereafter belonging to, located on, or used in connection with the above described premises, and together with all waters and water rights of every kind and description and however evidenced, and all ditches or other conduits and rights of way thereof, appurtenant to said premises or used in connection therewith; and together with all range and grazing rights (including rights under the Taylor Grazing Act and Federal Forest Grazing privileges), now or hereafter issued in connection with or appurtenant to the said real property; and the mortgagors covenant that they will comply with all rules, regulations and laws pertaining thereto and will in good faith endeavor to keep the same in good standing and will execute all waivers and other documents required to give effect to these covenants, and that they will not sell, transfer, assign or otherwise dispose of said rights or privileges without the prior written consent of the mortgagee.

SUBJECT TO real estate mortgages with Travellers Ins. Co., Nevada Livestock Production

Credit Association & contracts with Hoe Entz Estate, Michels & Sullivan and Harper Farms

This conveyance is intended as a mortgage securing the performance of the covenants and agreements hereinafter contained, and the payment of the debt evidenced by the following described promissory note(s) made by one or more of the Mortgagors (unless otherwise indicated) to the order of the Mortgagee:

MATURITY DATE	DATE OF NOTE	AMOUNT OF NOTE
December 5, 1976	March 3, 1976	\$1,460,373.00
February 5, 1980	February 12, 1973	372,396.00

This mortgage is intended to secure not only the note(s) hereinbefore specifically described, but also any outstanding balance of indebtedness however evidenced, not exceeding \$2,000,000.00, plus interest as hereinafter provided, due from Mortgagors to Mortgagee, or its assigns or successors, whether now existing or contracted for within a period of

five years from and after the date of filing of this mortgage; and this mortgage shall not be discharged nor shall its effectiveness as security for advances hereafter made be affected, by the fact that at certain times there may exist no indebtedness due from Mortgagors to Mortgagee; but the lien of this mortgage shall continue as security for any loan or advance made to Mortgagors by Mortgagee or its assigns, until it has been intentionally released. All indebtedness secured by this mortgage shall bear interest at the rate specified in the note(s) evidencing such indebtedness, provided, however, that if such rate or rates are thereafter increased or decreased by Mortgagee, all of the indebtedness secured hereby shall bear such increased or decreased rate of interest from the effective date thereof.

**MORTGAGORS COVENANT AND AGREE:**

That they are lawfully seized of said premises in fee simple, have good right and lawful authority to convey and mortgage the same, and that said premises are free from encumbrances except as stated above; and each of the Mortgagors will warrant and defend the same forever against the lawful claims and demands of all persons whomsoever except as stated above, hereby relinquishing all dower and homestead rights in the premises; and these covenants shall not be extinguished by any foreclosure hereof, but shall run with the land;

To pay when due all debts and money secured hereby;

To keep the buildings and other improvements now or hereafter existing on said premises in good repair and not to remove or demolish or permit the removal or demolition of any thereof; not to commit or suffer waste of any kind upon said premises; not to use or permit the use of said premises for any unlawful or objectionable purpose; and to do all acts and things necessary to preserve all water rights now or hereafter appurtenant to or used in connection with said premises;

To pay when due all taxes and assessments upon said premises; and to suffer no other lien or encumbrance prior to the lien of this mortgage to exist at any time against said premises, except as stated above;

To keep all buildings insured against loss or damage by fire in manner and form and in such company or companies and in such amount as shall be satisfactory to the Mortgagee; to pay when due all premiums and charges on all such insurance; to deposit with the Mortgagee, upon request, all insurance policies affecting the mortgaged premises, all of which said insurance shall be made payable, in case of loss, to the Mortgagee, with a mortgagee clause satisfactory to the Mortgagee;

To keep in good standing and free from delinquencies all obligations under any mortgage or other lien which is prior to this mortgage.

Should the Mortgagors be or become in default in any of the covenants or agreements herein contained, then the Mortgagee may, at its option, perform the same in whole or in part, and all expenditures made by the Mortgagee in so doing shall bear interest at the rate borne by the principal debt hereby secured, and shall be immediately repayable by the Mortgagors without demand, and, together with interest and costs accruing thereon, shall be secured by this mortgage.

Time is material and of the essence hereof; and in case of breach of any of the covenants or agreements hereof, or if default be made in the payment of any of the sums hereby secured, then, in any such case, all indebtedness hereby secured shall, at the election of the Mortgagee, become immediately due without notice, and this mortgage may be foreclosed; but the failure of the Mortgagee, to exercise such option in any one or more instances shall not be considered as a waiver or relinquishment of the right to exercise such option upon or during the continuance of the same or any other default.

In case of any suit to foreclose this mortgage or to collect any charge growing out of the debt hereby secured, or of any suit which the Mortgagee may deem it necessary to prosecute or defend to effect or protect the lien hereof, the Mortgagors agree to pay a reasonable sum as attorney's fees and all costs and legal expenses in connection with said suit, and further agree to pay the reasonable costs of searching the records and abstracting or insuring the title, and such sums and costs and expenses shall be secured hereby and be included in the decree of foreclosure.

Upon or during the continuance of any default hereunder, the Mortgagee shall have the right forthwith to enter into and upon the mortgaged premises and take possession thereof, except under circumstances where such taking is expressly prohibited by law, and collect the rents, issues and profits thereof, and apply the same, less reasonable costs of collection, upon the indebtedness hereby secured; and the Mortgagee shall have the right to the appointment of a receiver to collect the rents, issues and profits of the mortgaged premises and/or to manage the property during the pendency of legal proceedings. The rents, issues and profits of said premises after default shall accrue to Mortgagee's benefit and are hereby assigned and mortgaged to Mortgagee as additional security for the indebtedness herein described.

All rights and remedies conferred on Mortgagee by this mortgage are cumulative and additional to any and all other rights and remedies conferred by law, and are not exclusive. If any provision of this mortgage be found invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision hereof; and the mortgage shall be construed as though the invalid or unenforceable provision had been omitted.

The covenants and agreements herein contained shall extend to and be binding upon the heirs, executors, administrators, successors and assigns of the respective parties hereto.

IN WITNESS WHEREOF, The Mortgagors have hereunto set their hands the day and year first above written.

*Burke Petersen*  
*Yvonne Petersen*

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ACKNOWLEDGMENT.

STATE OF NEVADA )  
County of Clark ) ss.  
On this 9th day of July, in the year 1976,  
before me, the undersigned, a Notary Public for  
the State of Nevada, personally appeared Burke  
Petersen and Yvonne Petersen, known to me to be  
the persons whose names are subscribed to the  
within instrument and acknowledged to me that they  
executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand  
and affixed my notarial seal on the day and year  
in this certificate first above written.

*Frank Shanks*  
Notary Public for the State of Nevada  
Residing at 1111 S. 2nd St. Las Vegas, NV  
My Commission expires \_\_\_\_\_

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  
North 87°44' East 7.72 chains to Corner No. 4;  
thence South 22°51' East 86.81 chains to Cor-  
ner 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

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

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

EXCEPTING therefrom all coal and other valuable min-  
erals 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.

Eureka County EXHIBIT "A" Page 2  
 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 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

RECORDED AT THE REQUEST OF  
 Midland Production Credit Assn.  
 on August 18, 1976  
 at 55 mins. past 10 A. M.  
 in Book 56 of OFFICIAL  
 RECORDS, page 258-261, RECORDS  
 OF EUREKA COUNTY, NEVADA  
 WILL A. DePAOLI  
 Recorder  
 File No. 62018 Fee \$ 6.00

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