

62747

DEED OF TRUST

THIS DEED OF TRUST, made this 31st day of October, 1976, between JOHN C. CARPENTER, JR., also known as JOHN C. CARPENTER and ROSEANN S. CARPENTER, also known as ROSEANN CARPENTER, his wife; and JOHN T. CARPENTER and ANGELA CARPENTER, his wife, all of the City of Elko, County of Elko, State of Nevada, herein called TRUSTORS;

FIRST AMERICAN TITLE COMPANY OF NEVADA, a Nevada corporation, herein called TRUSTEE;

IDAHO LIVESTOCK PRODUCTION CREDIT ASSOCIATION, a corporation, organized and existing under the Farm Credit Act of Congress of the United States, as amended, herein called BENEFICIARY,

W I T N E S S E T H:

The Trustors do hereby grant, bargain, sell, convey and confirm unto the said Trustee in trust, with power of sale, all those certain lots, pieces or parcels of land situate in the State of Nevada, more particularly described as follows:

(Descriptions commence on Page 2)

WILSON, WILSON AND BARROWS, LTD.
Attorneys at Law
P. O. Box 399
Elko, Nevada 89801

BOOK 58 PAGE 304

1.

BOOK 242 PAGE 443

ELKO COUNTY

PARCEL I

TOWNSHIP 35 NORTH, RANGE 55 EAST, MDB&M.

Section 1: N1/2; SE1/4; E1/2SW1/4

EXCEPTING THEREFROM, one half of all oil, gas, mineral and other hydrocarbon substances, and all mines of gold, silver, copper, lead, cinnabar and other available minerals which may exist in the said tract reserved by A. B. MCKINLEY AND SONS, INC., in Deed recorded in Book 76 of Deeds, at page 227, Elko County, Nevada, records.

TOWNSHIP 35 NORTH, RANGE 56 EAST, MDB&M.

Section 5: All

Section 7: N1/2; NE1/4SW1/4; N1/2SE1/4

EXCEPTING THEREFROM one half of all oil, gas, minerals and other hydrocarbon substances, and all mines of gold, silver, copper, lead, cinnabar and other available minerals which may exist in the said tract reserved by A. B. MCKINLEY AND SONS, INC., in Deed recorded in Book 76 of Deeds at page 227, Elko County, Nevada, records.

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.

Section 23: All that portion lying East of the Easterly right of way line of the Elko to Mountain City Highway.

Section 26: NE1/4; E1/2NW1/4

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

EXCEPTING THEREFROM from Section 11, all oil, gas, mineral and other hydrocarbon substances, and all mines of gold, silver, copper, lead, cinnabar and other available minerals which may exist in the said tract reserved by A. B. MCKINLEY AND SONS, INC., in Deed recorded in Book 76 of Deeds at page 227, Elko County, Nevada, records, and by STRATHEARN CATTLE COMPANY by Deed recorded in Book 73 at page 38 of said records.

BOOK 58 PAGE 2305

BOOK 242 PAGE 444

TOWNSHIP 36 NORTH, RANGE 55 EAST, MDB&M.

Section 1: All
Section 3: All
Section 5: All
Section 7: All
Section 9: All
Section 11: All
Section 13: All
Section 15: All
Section 17: All
Section 19: All
Section 21: All
Section 23: All
Section 25: All
Section 27: All
Section 29: All
Section 35: All

EXCEPTING from Section 3, one half of all oil, gas, mineral and other hydrocarbon substances, and all mines of gold, silver, copper, lead, cinnabar and other available minerals which may exist in the said tract reserved by A. B. MCKINLEY AND SONS, INC., in Deed recorded in Book 76 of Deeds at page 227, Elko County, Nevada, records.

TOWNSHIP 36 NORTH, RANGE 56 EAST, MDB&M.

Section 7: All
Section 15: All
Section 17: All
Section 18: Lots 1 and 2 (NW1/2NW1/4); Lot 3 (NW1/4SW1/4);
NE1/4SW1/4; SW1/4SE1/4
Section 19: All
Section 30: Lot 1 (NW1/4NW1/4)

EXCEPTING from Section 7 and 15, one half of all oil, gas and minerals and other hydrocarbon substances, and all mines of gold, silver, copper, lead, cinnabar and other available minerals which may exist in the said tract reserved by A. B. MCKINLEY AND SONS, INC., in Deed recorded in Book 76 of Deeds at page 227, Elko County, Nevada, records.

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:

BOOK 58 PAGE 306

BOOK 242 PAGE 445

A parcel of land located in the $M\frac{1}{2}$ 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 Section 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 $80^{\circ}03'$ W., 80 feet, more or less, along said existing fence to an angle point thereon; thence: North $79^{\circ}03'$ W., 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 $10^{\circ}07'$ W., 970 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, being 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 the portion lying east of the easterly right of way line of the Elko to Mountain City Highway.

EXCEPTING, therefrom, all oil, gas, mineral and other hydrocarbon substances, and all mines of gold, silver, copper, lead, cinnabar and other available minerals which may exist in the said tract reserved by A. B. MCKINLEY AND SONS, in Deed recorded in Book 76 of Deeds at page 227, Elko County, Nevada, records, and by STRATHEARN CATTLE COMPANY by Deed recorded in Book 73 of Deeds at page 38, of said records.

TOWNSHIP 37 NORTH, RANGE 55 EAST, MDB&M.

Section 7: All

Section 17: All

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

BOOK 58 PAGE 307
4.

BOOK 242 PAGE 446

Beginning at the section corners common to Section 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 Section 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. thence North 0°02' East along said section line between Sections 24 and 19 to the true point of beginning.

Section 21: All, EXCEPT a parcel conveyed to JOE ECHEGARAY by Deed recorded in Book 12, Page 542, 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.

Section 29: N1/2; SE1/4; NE1/4SW1/4
Section 30: SW1/4NE1/4
Section 31: All

BOOK 58 PAGE 308

5.

BOOK 242 PAGE 447

PARCEL II

TOWNSHIP 30 NORTH, RANGE 56 EAST, MDB&M.

Section 1: Lot 1, 2 & 3 (N1/2NE1/4; NE1/4NW1/4)
SE1/4NW1/4; W1/2SE1/4; SW1/4

TOWNSHIP 30 NORTH, RANGE 57 EAST, MDB&M.

Section 5: Lot 1, 2, 3, & 4 (N1/2N1/2) S1/2NE1/4;
S1/2NW1/4; W1/2SE1/4; SW1/4

Section 6: Lots 1, 2, 3, 4, 5, 6 & 7; S1/2NE1/4; SE1/4NW1/4;
E1/2SW1/4; SE1/4 (all)

Section 7: N1/2NE1/4; NE1/4NW1/4; Lot 1 (NW1/4NW1/4)

Section 8: NW1/4NW1/4

TOWNSHIP 31 NORTH, RANGE 56 EAST, MDB&M.

Section 36: N1/2NE1/4; E1/2SE1/4

TOWNSHIP 31 NORTH, RANGE 57 EAST, MDB&M.

Section 27: Lot 3 and 4; W1/2SE1/4SW1/4; W1/2E1/2SE1/4SW1/4

Section 31: All

Section 32: W1/2; S1/2NE1/4; SE1/4

Section 33: SW1/4; S1/2NW1/4

Section 34: Lot 5; NW1/4NE1/4NW1/4; W1/2NE1/4NE1/4NW1/4

TOWNSHIP 32 NORTH, RANGE 55 EAST, MDB&M.

Section 5: That portion of W1/2 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: N1/2

Section 29: E1/2W1/2; SE1/4

Section 31: S1/2; S1/2N1/2

Section 33: E1/2; E1/2SW1/4; NW1/4NW1/4

EXCEPTING THEREFROM an undivided one half interest in and
to all coal; oil, gas and other minerals of every kind and
nature whatsoever existing upon, beneath the surface of or
within said lands as reserved in Deed executed by TONY SMITH,
et ux, et al, recorded September 20, 1957 in Book 72 of Deeds
at page 444, Elko County, Nevada, records.

BOOK 58 PAGE 309

BOOK 242 PAGE 448

PARCEL III

TOWNSHIP 30 NORTH, RANGE 56 EAST, MDB&M.
Section 1: S1/2NE1/4; E1/2SE1/4

TOWNSHIP 30 NORTH, RANGE 57 EAST, MDB&M.
Section 5: NE1/4SE1/4
Section 8: NE1/4NW1/4; W1/2SE1/4

EXCEPTING THEREFROM, an undivided one half interest in and to all coal, oil, gas and petroleum products of every name or nature whatsoever existing upon, beneath the surface of or within said lands as reserved in Deed executed by HILDRED D. McBRIDE recorded October 20, 1955 in Book 68 of Deeds at page 441, Elko County, Nevada, records.

FURTHER EXCEPTING THEREFROM, an undivided one half interest of all the right, title and interest of PETE ELIA, LEONIE ELIA, and GENEVIEVE CHURCH in and to all oil, gas and mineral rights as reserved in Deed recorded September 19, 1963 in Book 39 of Official Records at page 469, Elko County, Nevada.

PARCEL IV

TOWNSHIP 31 NORTH, RANGE 57 EAST, MDB&M.
Section 28: S1/2; S1/2NW1/4
Section 29: E1/2
Section 32: NE1/4NE1/4
Section 33: NW1/4NE1/4; N1/2NW1/4

BOOK 58 PAGE 310⁷

BOOK 242 PAGE 449

CHURCHILL COUNTY

PARCEL I

TOWNSHIP 18 NORTH, RANGE 37 EAST, MDB&M.

Section 20: NW1/4SE1/4
SW1/4NE1/4

EXCEPTING THEREFROM the following described parcel of land therein hereby expressly excepted by THOMAS ORMACHEA:

Commencing at the Northwest corner of the SW1/4 of the NE1/4, of Section 20, Township 18 North, Range 37 East, MDB&M.; the true point of beginning, thence around the parcel as follows:

South 00°11'35" East, along the West line of the SW1/4 of the NE1/4 of said Section 20, a distance of 466.6 feet; thence North 89°48'25" East a distance of 466.6 feet; thence North 00°11'35" West a distance of 466.6 feet of the North line of the said SW1/4 of the NE1/4; thence South 89°48'25" West a distance of 466.6 feet to the true point of beginning.

ALSO EXCEPTING THEREFROM the following described parcel:

That portion of the West 3/4 of the S1/2 of the SW1/4 of the NE1/4 of Section 20, Township 18 North, Range 37 East, MDB&M., and containing 15 acres, more or less, as reserved in that certain Agreement recorded April 9, 1969 in Book 7 of Official Records, page 135, as document no. 119356, Churchill County, Nevada records. The aforementioned exception is subject to a right of way for a one inch water line as set forth and more particularly described in the aforementioned agreement. (See attached Exhibit "A")

PARCEL II

TOWNSHIP 19 NORTH, RANGE 37 EAST, MDB&M.

Section 3: S1/2NW1/4
Section 4: S1/2NE1/4; NE1/4SW1/4
Section 5: E1/2SE1/4
Section 16: NE1/4NW1/4
Section 28: SE1/4; N1/2SW1/4; S1/2NW1/4

BOOK 58 PAGE 311⁸

BOOK 242 PAGE 450

EXCEPTING THEREFROM all uranium, thorium or any other materials which is or may be determined to be peculiarly essential to the production of fissionable materials, whether or not of commercial value, together with the right of the United States through its authorized agents or representatives at any time to enter upon the land and prospect for, mine, and remove the same as by United States of America in Patent recorded in Book 2 of Patents, page 392, Churchill County, Nevada, records.
(Affects Section 3 and Section 4)

PARCEL III

TOWNSHIP 20 NORTH, RANGE 36 EAST, MDB&M.

Section 21: SE1/4SE1/4
Section 22: SW1/4SW1/4
Section 28: N1/2NE1/4

PARCEL IV

TOWNSHIP 20 NORTH, RANGE 37 EAST, MDB&M.

Section 25: S1/2SE1/4
Section 36: N1/2NW1/4; W1/2NE1/4

EXCEPTING THEREFROM all mines of gold, silver, copper, lead, cinnabar and other valuable minerals that may exist in said tract are hereby expressly reserved, as reserved by the United States of America, and recorded in Book 1 of Patents, pages 385, 390, and 577, Churchill County, Nevada, records.

PARCEL V

TOWNSHIP 20 NORTH, RANGE 38 EAST, MDB&M.

Section 4: E1/2SW1/4
Section 9: N1/2NW1/4
Section 19: E1/2NW1/4; S1/2NE1/4

EXCEPTING THEREFROM all mines of gold, silver, copper, lead, cinnabar and other valuable minerals that may exist in said tract are hereby expressly reserved, as reserved by United States of America, and recorded in Book 1 of Patents, page 383, (Affects Section 19).

BOOK 58 PAGE 312

BOOK 242 PAGE 451

PARCEL VI

TOWNSHIP 21 NORTH, RANGE 38 EAST, MDB&M.

Section 24: SE1/4NW1/4; SW1/4SW1/4
Section 33: E1/2SE1/4
Section 34: SW1/4; SW1/4NE1/4; NW1/4SE1/4

EXCEPTING THEREFROM all mines of gold, silver, copper, lead, cinnabar and other valuable mineral that may exist in said tract are hereby expressly reserved, as reserved by the United States of America and recorded in Book 1 of Patents, pages 398 and 418, Churchill County, Nevada, records.

PARCEL VII

TOWNSHIP 22 NORTH, RANGE 38 EAST, MDB&M.

Section 2: NE1/4SE1/4; SW1/4SE1/4

TOGETHER WITH THE FOLLOWING:

- a. The right to 16,087 c.f.s. of water flowing in Rattlesnake, Willow and Pearl Creeks, tributaries of the Humboldt River as allotted to Charles Hairgrove, Estate of Maie Winstead and J. H. Carter for the irrigation of 757.55 acres of the above described land as more fully described in the adjudication proceedings in the action entitled Bartlett Decree and Edwards Decree number 2804 issued out of the Superior Court of the State of Nevada, in and for the County of Humboldt.
- b. The right to water flowing in the following streams for the irrigation of 548.45 acres of the above described land, as more fully described in Proofs of Appropriation numbered as follows, filed in the State Engineer's office:

<u>Proof No.</u>	<u>Source</u>
02057	Rock Canyon
02058	Augusta Canyon
02059	Rock Creek
02060	Pony Creek
02061	Cold Spring Creek
02062	Florence Canyon Creek
02063	Cherry Creek
02065	Cherry Creek
02066	War Canyon Creek

BOOK 58 PAGE 313 10.

BOOK 242 PAGE 452

c. The right to water from the following sources for stockwatering purposes, as more fully described in the following numbered Proofs, Application and/or Certificates filed with the State Engineer:

<u>Application No.</u>	<u>Proof No.</u>	<u>Certificate No.</u>	<u>Source</u>
7528	-----	2705	Yankee Spring
7530	-----	-----	Sheep Trough Spring
7533	-----	2706	Deep Canyon Spring
7534	-----	2707	Willow Spring
7535	-----	2708	Florence Canyon Spring
7973	-----	2577	Smooth Canyon Spring
7977	-----	2725	Cherry Spring No. 2
----	02198	----	Shoshone Creek
----	02109	----	Gooseneck Spring

d. All other water rights from all sources used in the operation of this livestock unit.

EUREKA COUNTY

PARCEL I

TOWNSHIP 30 NORTH, RANGE 49 EAST, M.D.B&M.

Section 13: All
 23: All
 27: All

PARCEL II

TOWNSHIP 30 NORTH, RANGE 50 EAST, MDB&M

Section 3: All
 4: All
 7: All
 9: All
 10: NW $\frac{1}{4}$; N $\frac{1}{2}$ SW $\frac{1}{4}$; SW $\frac{1}{4}$ SW $\frac{1}{4}$; NW $\frac{1}{4}$ NE $\frac{1}{4}$
 16: NW $\frac{1}{4}$; N $\frac{1}{2}$ SW $\frac{1}{4}$; SW $\frac{1}{4}$ SW $\frac{1}{4}$; NW $\frac{1}{4}$ NE $\frac{1}{4}$
 17: All
 19: All

PARCEL III

TOWNSHIP 31 NORTH, RANGE 50 EAST, MDB&M

Section 34: Lots 1 and 2; SW $\frac{1}{4}$ NW $\frac{1}{4}$; W $\frac{1}{2}$ SW $\frac{1}{4}$
 Section 29: All
 33: All

TOGETHER WITH all waters, water rights, rights to the use of water, dams, ditches, canals, pipe lines, reservoirs and all other means for the diversion or use of waters appurtenant to the said property or any part thereof, or used or enjoyed in connection therewith, and together with all stockwatering rights used or enjoyed in connection with the use of any of said lands.

BOOK 58 PAGE 314

BOOK 242 PAGE 453

WHITE PINE COUNTY

PARCEL 1

TOWNSHIP 13 NORTH, RANGE 69 EAST, M.D.B.&M.

Section 12: S 1/2

PARCEL 2

TOWNSHIP 10 NORTH, RANGE 70 EAST, M.D.B.&M.

Section 12: Lot 20.

Section 13: Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 12, 13, 14, 15, 16, 17, 18 and 19.

Section 14: The Southeast quarter of the Northwest quarter; the West half of the Northeast quarter; the Northeast quarter of the Southwest quarter.

Section 22: The East half of the Northwest quarter; the South half of the Northeast quarter; the Northeast quarter of the Northeast quarter; the North half of the Southeast quarter; the Southwest quarter of the Southeast quarter; the Northeast quarter of the Southwest quarter; the South half of the Southwest quarter.

Section 24: Lots 2, 3, 4, and 5.

Section 27: The Southwest quarter of the Southwest quarter.

Section 28: The Southeast quarter of the Southeast quarter.

Section 33: The Northeast quarter.

Section 34: The North half of the Northwest quarter; the Southwest quarter of the Northwest quarter;

An undivided two-thirds interest in and to the Southwest quarter of the Southeast quarter of Section 34.

Signature of Commissioner of Equalization
tax/fin/min/10

Michael Hill

Section 11: E 1/2 of E 1/2

Section 12: N 1/2 less NE 1/4 of NW 1/4

Section 13: NE 1/4 of NW 1/4 and NW 1/4 of NE 1/4

Together with all buildings, corrals, structures, fences and other improvements of Grantors on the above lands or any portions thereof; and

Together with all ranges, range rights, allotments, grazing privilege licence permits and leases of Grantors to graze livestock upon the public lands based upon appurtenant to or used in connection with the above described lands, or any portion thereof; and

Together with all fences and improvements of Grantors upon the public lands and all cooperative agreements, permits, easements and licenses relating thereto; and

Together with all waters, water rights, stockwatering rights, wells, water holes, springs, dams, ditches, reservoirs, pipelines, diversion water measuring and control devices, water shares, permits, certificates, applications, proofs decreed to, appurtenant to or used upon or in connection with the above described lands, and the federal ranges used in connection with the ranches, which the sellers now own, have an interest in or have the right to use; and together with all easements and rights of way relating thereto; and

Together with the tenements, hereditaments, and appurtenances hereunto belonging or appertaining and the reversion and reversions, remainders and remainders, rents, issues and profits thereof.

SUBJECT TO: All liens, encumbrances, reservations, restrictions, security interests and title matters affecting said property or any portion thereof.

The following apply to all of the above described parcels:

TOGETHER WITH all buildings, corrals, structures, fences and other improvements of Trustors on the above lands or any portions thereof.

TOGETHER WITH all oil, gas, coal and other minerals of every kind and nature whatsoever existing upon, beneath the surface of, or within said lands, all gravel rights, all geothermal rights, and all royalties payable upon any of the aforesaid rights.

TOGETHER WITH all range rights, grazing rights and forest rights, and in particular, but without limitation thereto, all rights to graze livestock on the public domain under what is known as the Taylor Grazing Act owned by the Trustors, or used or enjoyed in connection with any of said property.

FOR THE PURPOSE OF SECURING:

First: Payment of the indebtedness evidenced by a certain promissory note of even date herewith for FOUR MILLION SEVEN HUNDRED THIRTY THREE THOUSAND EIGHT HUNDRED SEVENTY TWO DOLLARS (\$4,733,872.00), with interest thereon according to the terms of said note, which Trustor covenants and agrees to pay. The final balance of principal and interest of said indebtedness being due and payable on November 5, 1977.

Second: Payment and/or performance of every obligation, covenant, promise and/or agreement herein contained.

Trustor promises and agrees:

1. That the following covenants, Nos. 3, 4 (12%), 5, 6 - (which covenant is deemed to include and apply to all conditions, covenants and agreements contained herein in addition to those adopted by reference, and to any and all defaults or deficiency in performance of this Deed of Trust), 7 (reasonable), and 8 of N.R.S. 107.030, are hereby adopted and made a part of this Deed of Trust.

2. To provide and maintain insurance covering all buildings, structures and improvements now situate or which hereafter may be erected or placed upon said property against loss or damage by fire and such other hazards as the Beneficiary may from time to time require and against which insurance is written at the time of such requirement, whether or not such insurance is now written, all such insurance to be in forms, in companies and in sums (not less than sufficient to avoid any claim on the part of the insurers for co-insurance) satisfactory to the Beneficiary; all insurance policies to be held by and be for the benefit of and first payable in case of loss to said Beneficiary; and at least fifteen (15) days before the expiration of each such policy to deliver to the Beneficiary a new and sufficient policy to take the place of the one so expiring; it being agreed that in the event of a loss the amount collected under any policy of insurance on said property may, at the option of the Beneficiary, be applied by Beneficiary upon any indebtedness and/or obligation secured hereby and in such order as Beneficiary may determine; or said amount or any portion thereof may, at the option of the Beneficiary, either be used in replacing or restoring the improvements partially or totally destroyed to a condition satisfactory to said Beneficiary, or be released to the Trustor, in either of which events neither the Trustee nor the Beneficiary shall be obligated to see to the proper application thereof; nor shall the amount so released or used be deemed a payment on any indebtedness secured hereby. Such application, used and/or released shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice. The Trustor hereby appoints the Beneficiary attorney irrevocable of the Trustor to assign each such policy in the event of the foreclosure of this Deed of Trust or other transfer of the title to the granted property in extinguishment, in whole or in part, of the debt secured hereby.

It is understood that the foregoing insurance requirements are subject to the requirements of any prior Deeds of Trust.

3. To pay: (a) before delinquent, all taxes and assessments of every type or nature affecting said premises, all

rents or charges for water and all assessments on any water stock; (b) all other charges and encumbrances which may now or shall hereafter be or appear to be a lien prior to the lien of this Deed of Trust; (c) all taxes upon this Deed of Trust or the interest of Beneficiary herein, or upon the note or debt secured hereby; provided, however, that the total amount so paid for any such taxes pursuant to this sub-paragraph (c) together with the interest payable on said indebtedness, shall not exceed the highest lawful rate of interest in Nevada.

4. To operate the ranch premises according to dictates of good husbandry, as defined by ranch practice in the area in which the ranch is located; that it will apply the water rights to beneficial use, all to the end that the same will not be lost by abandonment or forfeiture; that it will apply for and use the grazing and forest rights or, if not used, it will apply for proper non-use, all to the end that the same will not be terminated by the Bureau of Land Management and the Forest Service; and that it will maintain the premises in as good condition as they are now in, reasonable wear and tear excepted.

5. To comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting said premises, and not to suffer or permit any act to be done in or upon said premises in violation thereof.

6. That, if Trustor fails to do so, Beneficiary, without demand or notice and as in its sole judgment it may consider necessary, may do any or all things required of Trustor by any of the provisions herein contained and incur and pay expenses in connection therewith.

7. That all of the rents, issues and profits of said premises are hereby assigned to Beneficiary as further security for the payment of the indebtedness and performance of the obligations, covenants, promises and agreements secured hereby. In case default be made in payment of any indebtedness secured hereby or in performance of any of the Trustor's agreements herein contained, Beneficiary shall be entitled at any time 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 premises or any part thereof, and to do and perform any acts that Beneficiary may deem necessary or proper to conserve the value thereof, and to collect and receive all rents, issues and profits thereof, including those past due and unpaid as well as those accruing thereunder. Trustor further agrees that Beneficiary may also take possession of, and use, any and all personal property contained in said premises and used by Trustor in the operation, rental or leasing of said premises, or any part thereof. Beneficiary may apply all such rents,

issues and profits collected or received by it in the manner hereinabove specified in respect of proceeds of sale of said premises, or any part or all of such moneys may be released by Beneficiary at its sole option. The expense (including receivers' fees, if any, and compensation to any agent appointed by Beneficiary, and counsel fees and costs and disbursements) incurred in taking possession and effecting such collection, shall be deemed a portion of the expense of this trust secured hereby. Neither the entering upon and taking possession of the said property nor the collection of such rents, issues and profits and the application or release thereof as aforesaid, shall cure or waive any default or Notice of Default hereunder or invalidate any act done pursuant to such Notice.

8. That all moneys and awards payable as damages and/or compensation for the taking of title to or possession of, or for damage to any portion of the property subject to this Deed of Trust by reason of any condemnation, eminent domain, change or grade, or other proceeding shall, at the option of the Beneficiary, be paid to the Beneficiary, and such moneys and awards are hereby assigned to Beneficiary, and judgment therefor shall be entered in favor of Beneficiary, and when paid shall be used at its option toward the payment of any indebtedness, taxes, assessments, repairs or other items for the payment of which this Deed of Trust is given as security, whether the same be then due or not and in such order or manner as Beneficiary may determine, and any amount not so used shall be released by the Beneficiary to the Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

9. That acceptance by Beneficiary of any sum in payment, or past payment, of any indebtedness secured hereby, after the same is due or after the recording of a Notice of a Notice of Default, shall not constitute a waiver of the right to require prompt payment when due, of all other sums so secured, nor shall such acceptance cure or waive any remaining default or invalidate any sale held pursuant to such Notice for any such remaining default, or prejudice any of the rights of the Beneficiary under this Deed of Trust.

10. That any stock in a water, irrigation or oil storage company endorsed to Beneficiary in connection with this transaction may be registered in the name of Trustee or Beneficiary as Pledgee, and held by either, as Beneficiary may determine. Whether or not said stock be appurtenant to the above described land or any part thereof, and regardless of how said stock is registered or held, Trustor and Beneficiary agree that if default be made in the performance of any obligation secured hereby, Trustee may sell said stock or any part thereof and any other shares of stock subject to this Deed of Trust, together with and at the time of any Trustee's sale of the above described land or any part hereof. With respect to such sale of said stock, Trustor hereby waives compliance with any and all statutory requirements concerning the sale of pledged property, and agrees that the provisions of law and of this Deed of Trust governing the manner, notice and conditions of a Trustee's sale of said land shall apply to such sale of said stock by Trustee.

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BOOK 58 PAGE 319
16.

BOOK 242 PAGE 458

11. That Trustor hereby assigns and transfers as additional security to Beneficiary all damages, royalties and revenues of every kind, nature and description whatsoever that Trustor may be entitled to receive from any person, company or corporation owning or having or hereafter acquiring a right to the oil, gas, mineral or gravel rights and reservations of the premises above described, with the right in Beneficiary to receive receipt therefor and apply the same to said indebtedness in the event of any default hereunder, and Beneficiary may demand, sue for and recover any such payments, but shall not be required so to do.

12. That 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 the note or notes secured hereby for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby or the effect of this Deed of Trust upon the remainder of said property, Trustee may: Reconvey any part of said property; consent in writing 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.

13. That without affecting the liability of any other person liable for the payment 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 or additional security for any obligation herein mentioned, and/or make composition or other arrangements with debtors in relation thereto. If the Beneficiary at any time holds any additional security for any obligation secured hereby, it may enforce the sale thereof or otherwise realize upon the same at its option, either before or concurrently therewith or after a sale is made hereunder.

14. That the Beneficiary shall be subrogated for further security to the lien, although released of record, of any and all encumbrances paid out of the proceeds of the loan secured by this Deed of Trust.

15. That the Beneficiary hereunder may, from time to time appoint another trustee or trustees to execute the trusts hereby created; and upon the recordation of such appointment in the Office of the County Recorder of each County where such property is situated, the new trustee or trustees shall be vested with all the title, interest, powers, duties, and trusts in the premises hereby vested in the Trustee first above named.

16. That the Beneficiary is authorized by itself, its agents or workmen, to enter at any time upon any part of said property and the improvements thereon situated 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.

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BOOK 58 PAGE 320

BOOK 242 PAGE 459

17. 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 mean the owner and holder, including Pledges, of the note secured hereby, whether or not named as Beneficiary herein.

18. If any provision hereof should be held unenforceable or void, then such provision shall be deemed separable from the remaining provisions and shall in no way affect the validity of this Deed of Trust.

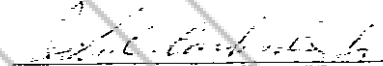
19. That Trustee will pay to the Beneficiary any amount charged by the Beneficiary, not to exceed the maximum allowed by law, for any statement regarding the obligation secured hereby furnished by the Beneficiary upon demand by the Trustor, the charge for each such statement to be payable immediately upon furnishing of the statement.

20. That the right to plead any and all statutes of limitations as a defense to any demand secured by this Deed of Trust is hereby waived to the full extent permissible by law.

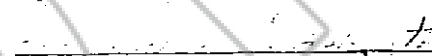
21. That the trust created hereby is irrevocable by the Trustor.

Notwithstanding any provision herein or in said note, the total liability for payments in the nature of interest shall not exceed the limits now imposed by the usury laws of the State of Nevada.

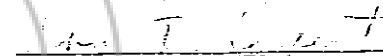
Trustee accepts these Trusts when this Deed of Trust, duly acknowledged, is made a public record as provided by law.



JOHN C. CARPENTER, JR., aka
JOHN C. CARPENTER



ROSEANN S. CARPENTER, aka
ROSEANN CARPENTER



JOHN T. CARPENTER

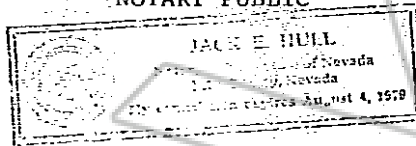
ANGELA CARPENTER

STATE OF NEVADA,)
) SS.
COUNTY OF ELKO.)

On January 31st 1977, personally appeared before me,
a Notary Public, JOHN C. CARPENTER, JR., aka JOHN C. CARPENTER
and ROSEANN S. CARPENTER, aka ROSEANN CARPENTER, his wife, who
acknowledged that they executed the above instrument.

Jack E. Hull

NOTARY PUBLIC

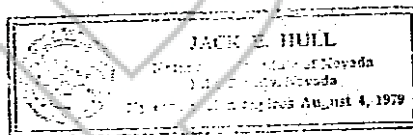


STATE OF NEVADA,)
) SS.
COUNTY OF ELKO.)

On January 31st 1977, personally appeared before me,
a Notary Public, JOHN T. CARPENTER and ANGELA CARPENTER, his wife,
who acknowledged that they executed the above instrument.

Jack E. Hull

NOTARY PUBLIC



REC 821 103222
FILED IN RECORDS
AT REQUEST OF
Wilson Wilson & Barrows
77 FEB 4 P 4: 11

REC 242 2443
JERRY W. RECORDS
ELKO CO. RECORDER INDEXED

62747
RECORDED AT THE REQUEST OF
WILSON, WILSON & BARROWS
FEBRUARY 22 1977
at 04 mins. past 8 A. M.
in Book 58 of OFFICIAL
RECORDS, page 304-321, RECORDS
OF EUREKA COUNTY, NEVADA
WILL A. D'PAOLI
Recorder
File No. 62747 Fee \$ 21.00

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103222

BOOK 58 PAGE 322
19

BOOK 242 PAGE 461