

80151

STATE OF NEVADA

Federal Land Bank of Sacramento Deed of Trust

THIS DEED OF TRUST made March 3, 1981 between _____

DONALD FRANK PALMORE and ELIZA M. PALMORE, his wife;

herein called Grantor, the **FEDERAL LAND BANK OF SACRAMENTO**, a corporation Trustee, and the **FEDERAL LAND BANK OF SACRAMENTO**, a corporation, Sacramento, California, Beneficiary;

WITNESSETH: That Grantor hereby grants unto said Trustee, with power of sale, the following-described real property in

Eureka County, Nevada:

PARCEL 1:

TOWNSHIP 22 NORTH, RANGE 54 EAST, M.D.B. & M.

Section 28: S 1/2

EXCEPTING THEREFROM all oil, gas, potash and sodium in and under said land reserved by the United States of America.

PARCEL 2:

TOWNSHIP 22 NORTH, RANGE 54 EAST, M.D.B. & M.

Section 22: W 1/2 W 1/2

EXCEPTING THEREFROM all oil and gas in and under said land reserved by the United States of America.

Containing: 480 acres, more or less

TOGETHER WITH the right to use 1874.4 acre feet of underground water from two wells located on the above described land for the irrigation of 468.6 acres of said land, as more fully described in Certificate No. 6963 (Permit No. 19110) and Certificate No. 6406 (Permit No. 14948) on file with the Division of Water Resources.

TOGETHER WITH all of Grantor's existing and future rights, however evidenced, to the use of water for irrigating said lands and for domestic and stock watering uses, including ditches, laterals, conduits, and rights of way used to convey such water or to drain said land, all of which rights are hereby made appurtenant to said land, and all pumping plants now or hereafter used in connection therewith, and all wind machines used on said land, which pumping plants and wind machines are hereby declared to be fixtures; all grazing leases, permits, and licenses used with said land; all tenements, hereditaments, easements, rights of way, and appurtenances to said land, and the rents, issues, and profits thereof;

As security for the payment of: (a) \$ 275,000.00 with interest as prescribed in Grantor's promissory note of even date herewith, payable to Beneficiary at its office in Sacramento, California; (b) all other obligations under said note; (c) any additional money Beneficiary may hereafter loan to Grantor, his successors or any of them, as advance(s) hereunder, with interest as prescribed in the note(s) evidencing such advance(s); (d) all renewals, reamortizations and extensions of the indebtedness evidenced by said note(s) secured hereby; (e) all money advanced to any receiver of the premises described herein; (f) all other money that may be advanced under provisions hereinafter recited in this deed of trust.

The promissory note(s) evidencing the indebtedness secured by this deed of trust contains a provision whereby the rates of interest on the unmatured principal portion of the indebtedness and on items in default are subject to change whenever the new loan interest rate of the Beneficiary is either increased or decreased.

As additional security, Grantor assigns, without obligation on Beneficiary to effect collection, all damages, royalties, rentals, and other revenue from all present and future oil, gas, and mineral leases, and rights affecting said premises, and all money payable to Grantor in the event of cancellation of any grazing leases, permits, or licenses, used with said land; and pledges

Upon Grantor's default or breach, all stock and contracts then pledged may be sold with the land, at public or private sale, without demand for performance and without notice of such sale to Grantor or any person;

Grantor covenants and agrees that:

- (1) Each Grantor is jointly and severally liable for all obligations secured hereby, which obligations shall extend to and bind the heirs, executors, administrators, successors, and assigns of each Grantor;
- (2) Acceptance by Beneficiary of any payment shall not operate as a waiver of any prior default;
- (3) Releases from personal liability shall not affect the personal liability of any person not specifically released;

See Book 94, Page 131 for Return For Notice of Default Sale

23-1186-EH

(4) All condemnation awards and damages shall be paid to the Beneficiary to be applied on the indebtedness secured hereby;

(5) Grantor will comply with the Farm Credit Act of 1971 and Federal Reclamation Act, and will care for the security in a farmer-like manner at Grantor's expense;

(6) Upon Grantor's default or breach, Beneficiary may take possession of said premises with all rights of mortgagee in possession or have a receiver appointed and may, at its option, accelerate the maturity of the indebtedness.

(7) This instrument is given and accepted upon the express provision that in the event the herein-described property, or any part thereof, or any interest therein, is sold, conveyed, or alienated by the Grantor, or by operation of law or otherwise, except by inheritance, all obligations secured by this instrument, irrespective of the maturity dates expressed herein, at the option of the holder hereof, and without demand or notice, shall immediately become due and payable. Failure to exercise such option shall not constitute a waiver of the right to exercise this option in the event of subsequent sale, agreement to sell, conveyance, or alienation. Subsequent acceptance of any payment hereunder by Beneficiary shall not be deemed a waiver of any default by Grantor, or any sale, agreement to sell, conveyance, or alienation, regardless of Beneficiary's knowledge of such default, sale, agreement to sell, conveyance, or alienation at the time of acceptance of such payment.

The following covenants, Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9 of section 2 of an act entitled "An act relating to transfers in trust of estates in real property to secure the performance of an obligation or the payment of a debt, and to provide that certain covenants, agreements, obligations, rights and remedies thereunder may be adopted by reference, and other matters relating thereto," approved March 29, 1927, are hereby adopted and made a part of this deed of trust. Covenant No. 1 shall also apply to stock, contracts, and rights pledged herein. Covenant No. 2, in the amount required by Beneficiary, and the amount collected under any fire or other insurance policy, may be applied by Beneficiary upon any indebtedness secured hereby, or at option of Beneficiary the entire amount so collected or any part thereof may be released to Grantor. 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. Covenant No. 3 shall include bankruptcy proceedings. Covenant No. 4: Money so expended plus interest accrued thereon shall be secured hereby; the rate of interest being subject to change in accordance with Beneficiary's variable interest rate plan. Covenant No. 5: Trustee may make full or partial reconveyances to "the person or persons legally entitled thereto." All recitals therein shall be conclusive. Covenant No. 6: Attorney may represent Trustee at sale and security may be sold in one parcel. Covenant No. 7: 2%, \$100 minimum. Covenant No. 9: Conveyance to new trustees shall not be necessary, and said resolution may refer in general terms to all deeds of trust held by Beneficiary, which shall include this deed of trust, and, upon recordation, shall be conclusive proof of proper change.

Executed the date first hereinabove written.

Address P. O. Box 92
Eureka, Nevada 89316

Donald Frank Palmore
Donald Frank Palmore
Eliza M. Palmore
Eliza M. Palmore

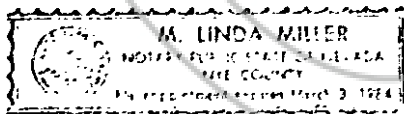
STATE OF NEVADA
COUNTY OF Elko ss.

On this 13th day of April in the year 19 81 before me, *B. Linda Miller*
a notary public in and for said county and State, personally appeared
Donald Frank Palmore and Eliza M. Palmore

known to me to be the person(s) described in and who executed the foregoing instrument, who acknowledged to me that *they*
executed the same freely and voluntarily and for the uses and purposes therein mentioned.

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

(SEAL)



My commission will expire:

3-3-84

B. Linda Miller
Notary Public in and for Nye
County, State of Nevada.

RECORDED AT REQUEST OF
FRONTIER TITLE COMPANY
BOOK 94 PAGE 139

81 APR 17 P 1:57

OFFICIAL RECORDS
EUREKA COUNTY, NEVADA
WILLIS A. DEACELI-RECORDER
FILE NO. 80151
FEE 4.00

SPACE BELOW FOR RECORDERS USE ONLY

BOOK 94 PAGE 130

THIS SPACE FOR LAND BANK USE ONLY

When recorded please return to
FEDERAL LAND BANK OF SACRAMENTO
P.O. Box 13106-C
Sacramento, California 95813