

## STATE OF NEVADA

Federal Land Bank of Sacramento Deed of Trust

THIS DEED OF TRUST, made June 26, 1981 between

JOHN D. RAND and MARTHA A. RAND, his wife; and

FLOYD C. SLAGOWSKI and CHARLENE S. SLAGOWSKI, 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  
 Yreka County, Nevada:

FOR DESCRIPTION OF REAL PROPERTY SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

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) \$ 1,250,000.00 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;

(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: Pine Valley  
Carlin, Nevada 89822

*John D. Rand*  
John D. Rand  
*Martha A. Rand*  
Martha A. Rand

Pine Valley  
Carlin, Nevada 89822

*Floyd C. Slagowski*  
Floyd C. Slagowski  
*Charlene S. Slagowski*  
Charlene S. Slagowski

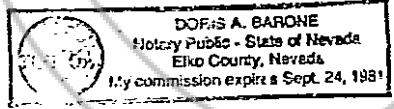
STATE OF NEVADA  
COUNTY OF ELKO ss.

On this 30th day of June, in the year 1981, before me, Doris A. Barone, a notary public in and for said county and State, personally appeared John D. Rand and Martha A. Rand, his wife and Floyd C. Slagowski and Charlene S. Slagowski, his wife

known to me to be the persons 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)



*Doris A. Barone*  
Notary Public in and for Elko  
County, State of Nevada.

My commission will expire:

9-24-81

SPACE BELOW FOR RECORDER'S USE ONLY

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

BOOK 096 PAGE 10

PARCEL I:TOWNSHIP 28 NORTH, RANGE 52 EAST, MDB&M

Section 8: S $\frac{1}{2}$ SE $\frac{1}{4}$ ; W $\frac{1}{2}$ ;  
 Section 16: SW $\frac{1}{2}$ SE $\frac{1}{4}$ ; W $\frac{1}{2}$ 1  
 Section 17: NE $\frac{1}{4}$ SW $\frac{1}{4}$ ; E $\frac{1}{2}$ ; NW $\frac{1}{4}$ ;  
 Section 20: NE $\frac{1}{4}$ NE $\frac{1}{4}$ ;  
 Section 21: NW $\frac{1}{4}$ ; SE $\frac{1}{4}$ NE $\frac{1}{4}$ ; W $\frac{1}{2}$ NE $\frac{1}{4}$ ; N $\frac{1}{2}$ SE $\frac{1}{4}$ ;  
 Section 22: N $\frac{1}{2}$ SW $\frac{1}{4}$ ;

PARCEL II:TOWNSHIP 28 NORTH, RANGE 52 EAST, MDB&M

Section 9: S $\frac{1}{2}$ SW $\frac{1}{4}$ ; SE $\frac{1}{4}$ SE $\frac{1}{4}$ ;  
 EXCEPT a parcel of land located within the SE $\frac{1}{4}$ SE $\frac{1}{4}$  of Section 9, Township 28 North, Range 52 East, MDB&M, Eureka County, Nevada, more particularly described as follows:  
 Commencing at the SE corner of said Section 9, thence North 564.09 feet along the East line of said Section 9 to Corner No. 1, the True point of beginning.  
 Thence continuing North along the East line of said Section 9 660.00 feet to Corner No. 2.  
 Thence West 660.00 feet to Corner No. 3,  
 Thence South 660.00 feet to Corner No. 4,  
 Thence East 660.00 feet to Corner No. 1, the point of beginning.  
 As conveyed to CHARLES G. WALKER, et ux., by Deed recorded May 12, 1978 as File No. 64936 in Book 53 of Official Records of Eureka County at page 371.

Section 10: SE 1/4 NE 1/4; NE 1/4 SW 1/4; SW 1/4 SW 1/4; SE 1/4 NW 1/4;  
 NW 1/4 SE 1/4;  
 Section 14: S 1/2 NW 1/4  
 Section 15: N 1/2 NW 1/4; SE 1/4 NW 1/4; S 1/2 NE 1/4

EXHIBIT "A"

PARCEL III:

TOWNSHIP 30 NORTH, RANGE 50 EAST, MDB&M

SECTION 11: ALL  
SECTION 13: ALL  
SECTION 14: NE $\frac{1}{2}$ ; NE $\frac{1}{2}$ NW $\frac{1}{4}$ ; NE $\frac{1}{2}$ SE $\frac{1}{4}$   
SECTION 24: NE $\frac{1}{2}$ ; NE $\frac{1}{2}$ NW $\frac{1}{4}$ ; NE $\frac{1}{2}$ SE $\frac{1}{4}$

TOWNSHIP 30 NORTH, RANGE 51 EAST, MDB&M

SECTION 9: SE $\frac{1}{2}$ NE $\frac{1}{2}$   
SECTION 10 & 15:

Portion off as follows:

A triangular tract of land beginning at the SE corner of Section 15 as Corner #1, the point of beginning,

thence along the South line of said Section 15 N. 89°58' W. 8318.64 feet to Corner #2, the SW corner of said Section 15,

thence along the line between Section 15 & 16 North 1072.50 feet to Corner #3, the SW corner of Section 10.

thence along the line between Section 9 & 10, N 0° 23' W. 2565.42 feet to Corner #4, the W 1/4 corner of said Section 10.

thence S. 66° 23' 42" East 9096.97 feet to Corner #1 the point of beginning, containint 347.148 acres more or less. .

SECTION 16: All  
SECTION 17: All  
Section 18: All  
Section 19: All  
Section 20: All  
Section 21: All  
Section 22: All  
Section 23: All  
Section 24: All  
Section 25: All  
Section 26: All  
Section 27: All  
Section 28: All  
Section 29: All

TOWNSHIP 30 NORTH, RANGE 52 EAST, MDB&M

Section 16: SW $\frac{1}{2}$ ; SE $\frac{1}{2}$ NW $\frac{1}{4}$   
Section 19: All  
Section 20: All  
Section 21: NW $\frac{1}{4}$ ; W $\frac{1}{2}$ SW $\frac{1}{2}$   
Section 28: S $\frac{1}{2}$ S $\frac{1}{2}$   
Section 29: All  
Section 30: All

Containing 15,744.5 Acres, more or less

EXHIBIT "A"

TOGETHER WITH the right to divert 7.848 c.f.s. of underground water from a well located on the above described land for the irrigation of 570.5 acres of said land, and for domestic purposes, evidenced by Certificate of Appropriation of Water No. 6181 (Application No. 19123) issued by the Division of Water Resources.

ALSO TOGETHER WITH the right to divert 1233.55 acre feet of water flowing in Pine Creek for the irrigation of 416.74 acres of the above described land and 172.07 acre feet of water from Trout Creek for the irrigation of 163.45 acres of said land, as allotted to C. H. Rand; the right to divert 351.15 acre feet of water flowing in Pine Creek for the irrigation of 125.19 acres of the above described land, as allotted to W. S. Yates; the right to divert 583.32 acre feet of water from Hot Creek for the irrigation 194.44 acres of the above described land and 1031.76 acre feet of water from Pony Creek for the irrigation of 343.92 acres of the above described land, as allotted to George W. Goodfellow, all in the Decree of the Sixth Judicial Court of the State of Nevada in and for the County of Humboldt, Action No. 2804, referred to as the Bartlett Decree.

AND ALSO TOGETHER WITH all of the stock water rights used in the operation of the above described land.

RECORDED AT REQUEST OF  
*Primer Escrow Services of Nevada*  
BOOK 96 PAGE 9

81 JUL 6 4:28

OFFICIAL RECORDS  
HUMBOLDT COUNTY, NEVADA  
WILLIS A. DEPAOLI, RECORDER  
FILE NO. 80945  
FEE \$ 8.00