

STATE OF NEVADA

Federal Land Bank of Sacramento Deed of Trust

THIS DEED OF TRUST, made September 26, 1983 between

F. DONALD SOKOL, a married man dealing with his sole and separate property

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:

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) \$ 540,000.00 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;

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(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, agreed to be 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 adapted 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 Route 1, Box 50
Eureka, Nevada 89316

F. Donald Sokol
F. Donald Sokol

STATE OF NEVADA
COUNTY OF Elko ss.

On this 28 day of September, in the year 1983, before me, the undersigned, a notary public in and for said county and State, personally appeared F. Donald Sokol

known to me to be the person... described in and who executed the foregoing instrument, who acknowledged to me that he 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)



Shirley Mensink
Notary Public in and for Elko
County, State of Nevada.

My commission will expire:

SPACE BELOW FOR RECORDERS USE ONLY

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

BOOK 116 PAGE 071

PARCEL 1:

TOWNSHIP 24 NORTH, RANGE 52 EAST, M.D.B. & M.

Section 12: E 1/2 NE 1/4
 Section 13: NE 1/4; SW 1/4; NW 1/4 SE 1/4; S 1/2 SE 1/4
 Section 23: E 1/2 E 1/2; W 1/2 SE 1/4
 Section 24: All
 Section 25: N 1/2; N 1/2 S 1/2
 Section 26: E 1/2 NE 1/4; W 1/2 NE 1/4; NW 1/4 SE 1/4; E 1/2 SE 1/4

TOWNSHIP 24 NORTH, RANGE 53 EAST, M.D.B. & M.

Section 17: SW 1/4 SW 1/4
 Section 18: Lots 3 and 4, E 1/2 SW 1/4; W 1/2 SE 1/4; SE 1/4 SE 1/4
 Section 19: Lots 1, 2, 3 and 4; E 1/2 W 1/2; W 1/2 E 1/2
 Section 29: NW 1/4; W 1/2 SE 1/4; N 1/2 SW 1/4; W 1/2 NE 1/4; SE 1/4 SE 1/4
 Section 30: Lots 1 and 2; E 1/2 NW 1/4; NE 1/4; N 1/2 SE 1/4
 Section 32: N 1/2 NE 1/4

TOWNSHIP 25 NORTH, RANGE 53 EAST, M.D.B. & M.

Section 5: SE 1/4 SE 1/4

EXCEPTING THEREFROM an undivided 1/2 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 from REINHOLD SADLER, et al, recorded February 6, 1976, in Book 53, Page 583, Official Records, Eureka County, Nevada.

PARCEL 2:

TOWNSHIP 24 NORTH, RANGE 52 EAST, M.D.B. & M.

Section 13: SE 1/4 NW 1/4
 Section 25: S 1/2 SW 1/4

EXCEPTING THEREFROM all mineral deposits in and under said land, reserved by the United States of America, in Patent recorded January 25, 1979, in Book 68, Page 392, Official Records, Eureka County, Nevada.

Containing 4,007.68 acres, more or less.

TOGETHER WITH the right to divert 2.342 c.f.s. of water from Big Shipley Springs for the irrigation of 234.2 acres of the above-described land, as evidenced by Application No. 4273 (Certificate No. 964), issued by the State of Nevada Division of Water Resources;

ALSO TOGETHER WITH the right to divert water from Big Shipley Springs and Tributaries for the irrigation of 1657.28 acres of the above-described land, as evidenced by Proof of Appropriation of Water No. 03289, issued by the State of Nevada Division of Water Resources;

ALSO TOGETHER WITH the right to divert water from Indian Camp Springs and Tributaries for the irrigation of 73.91 acres of the above-described land, as evidenced by Proof of Appropriation of Water No. 03290, issued by the State of Nevada Division of Water Resources;

ALSO TOGETHER WITH the trustor's right, title and interest in and to the following referenced Applications for Permit to appropriate the Public Waters of the State of Nevada for Stockwatering purposes:

<u>APPLICATION NO.</u>	<u>WATER SOURCE</u>
37931	FLYNN FLAT SPRING
37932	QUAKING SPRING
37933	CORTA WELL NO. 1
37934	CABIN SPRING
37935	EXPLORATION SPRING
37936	SKILLMANS SPRING
37937	PUMP SPRING

RECORDED AT REQUEST OF
FRONTIER TITLE COMPANY
BOOK 116 PAGE 73

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OFFICIAL RECORDS
EUREKA COUNTY, NEVADA
M.N. REBALEATI, RECORDER
FILE NO. 83982
FEES 8.00

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