

STATE OF NEVADA

244652-9



Federal Land Bank of Sacramento Deed of Trust
WESTERN FARM CREDIT BANK

THIS DEED OF TRUST, made July 27, 1988 between

DUNPHY RANCH, a Nevada general partnership;



WESTERN FARM CREDIT BANK
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 Humboldt and Eureka Counties, Nevada

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

THIS INSTRUMENT EXECUTED IN DUPLICATE FOR RECORDING IN EACH OF THE COUNTIES IN WHICH THE PROPERTY DESCRIBED IS SITUATED.

(8) Trustors covenant and agree to pay all rents when due and to comply with all the conditions of Grazing Lease No. SPL-6512 dated May 23, 1986, and any replacement leases or renewals thereof, executed by and between Southern Pacific Land Company, a corporation, Lessor, and John Marvel, Lessee. Trustors further covenant and agree not to surrender or relinquish any of the Trustor's rights, title or interest under said Lease without first having obtained the written consent of the Beneficiary.

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) \$ 350,000.00 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 advances hereunder, with interest as prescribed in the note(s) evidencing such advances; (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 Bk 221, Pg 177
for deed of recording

(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 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 1270
Battle Mountain, Nevada 89820

DUNPHY RANCH,
a Nevada general partnership

By [Signature]
John W. Marvel, Partner
By [Signature]
Wilburta S. Marvel, Partner
By [Signature]
John E. Marvel, Partner
By [Signature]
Karen U. Marvel, Partner

STATE OF Nevada)
County of Elko)

On this 8th day of September, 1988, before me, the undersigned Notary Public in and for said County and State, personally appeared John W. Marvel, Wilburta S. Marvel, John E. Marvel and Karen U. Marvel () personally known to me () proved to me on the basis of satisfactory evidence) to be the person(s) who executed the within instrument as Partners of the partnership therein named, on behalf of the partnership, and acknowledged to me that the partnership executed it.


 PAMELA JANE AGUIRRE
Notary Public-State of Nevada
Elko County-Nevada
App. expires 2/14/92

WITNESS my hand and official seal
[Signature]
Notary Public in and for said County and State

FCB 1208 (3-87) Notarial Acknowledgment — Partnership

SPACE BELOW FOR RECORDER'S USE ONLY

THIS SPACE FOR LAND BANK USE ONLY

 WESTERN FARM CREDIT BANK
FEDERAL LAND BANK OF SACRAMENTO
P.O. Box 13106-C
Sacramento, California 95813

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EXHIBIT A

All that certain real property situate in the County of Eureka and Humboldt, State of Nevada, more particularly described as follows:

PARCEL 1: (Eureka County)

TOWNSHIP 33 NORTH, RANGE 48 EAST, M.D.B.&M.

Section 13: ALL
Section 14: ALL
Section 23: ALL
Section 24: ALL

Section 25: ALL
Section 26: ALL,

EXCEPT a portion lying and being in the NE1/4 of said Section 26, containing 3.424 acres, more or less, conveyed by Joe Filippini and wife, to the Western Pacific Railroad Company by Deed dated June 14, 1947, recorded in Book 23, Page 176 of Deeds.

ALSO, excepting therefrom a portion of the NW1/4SW1/4SW1/4 of said Section 26, containing 4.279 acres, more or less, (said 4.279 acres covers land in Section 27 also), conveyed by Joe Filippini and wife, to National Lead Company, by Deed dated November 19, 1946, and recorded in Book 23, Page 135 of Deeds.

FURTHER EXCEPTING FROM the SW1/4 of Section 23 and N1/2 of Section 26, TOWNSHIP 33 NORTH, RANGE 48 EAST, M.D.B.&M., that portion of land conveyed to NL Baroid Division of NL Industries, Inc., by Deed dated December 17, 1978, recorded December 28, 1978, in Book 68 Page 244, Official Records, Eureka County, Nevada.

FURTHER EXCEPTING FROM NE1/4NE1/4 of Section 26, and the NW1/4NW1/4 of Section 25, TOWNSHIP 33 NORTH, RANGE 48 EAST, M.D.B.&M., that portion of land conveyed to John Davis and Joanns Davis, Husband and Wife, by Deed dated February 14, 1981, recorded March 4, 1981, in Book 92, Page 24, Official Records, Eureka County, Nevada, and by Quitclaim Deed dated April 24, 1986, recorded May 1, 1986, in Book 144, Page 142, Official Records, Eureka County, Nevada.

Section 27: All that portion thereof situate, lying and being on the Southerly side of the Western Pacific Railroad Company's right of way as the same now crosses said Section 27; EXCEPT a portion of the SE1/4SE1/4 of said section, containing 4.279 acres, more or less, (said 4.279 acres covers land in Section 26 also), conveyed by Joe Filippini and wife, to National Lead Company, by Deed dated November 19, 1946, recorded in Book 23, Page 135 of Deeds.

Section 33: All that portion of the W1/2 situate, lying and being on the Southerly side of the Southern Pacific Railroad Company's right of way, as the same now crosses said Section 33.

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Section 35: E1/2

Section 36: E1/2NE1/4 and that portion of the NW1/4NE1/4 of Section 36 lying Northerly of the proposed 200 foot left or Northerly right of way line of Nevada Interstate Route 80, Federal Aid Project I-080-4(6)254, and Southerly of the 180 foot right or Southerly highway right of way line of Nevada State Route 1 (U.S. 40), containing approximately 4.33 acres, conveyed to Tony Miller, et ux, by Deed recorded in Book 27, Page 24 of Deeds.

There is specifically excepted from the foregoing those portions

of Section 25, 26, 27, 33 and 36, heretofore deeded to the State of Nevada on relation of its Department of Highways, in Deeds recorded in Book 26, Page 282, File Number 36887; Book 27, Page 27, File Number 38803; and in Book 27, Page 30, File Number 38804 of Deeds.

TOWNSHIP 33 NORTH, RANGE 49 EAST, M.D.B.&M.

Section 31: Portions of Lots 1 and 2; E1/2NW1/4; SW1/4NE1/4; NE1/4SW1/4; N1/2SE1/4 and SE1/4SE1/4 lying Northerly of the proposed 200 foot left or Northerly highway right of way line of Nevada Interstate Route 80, Federal Aid Project I-080-4(6)254, and Southerly of the 180 foot right or Southerly highway right of way line of Nevada State Route 1 (U.S. 40), said above described parcel contains an area of approximately 50.99 acres, as conveyed to Tony Miller, et ux, by Deed recorded in Book 27, Page 24 of Deeds.

TOGETHER WITH the right to divert underground water for the irrigation of 692.99 acres of the above-described land, as evidenced by Certificate No 8461 (Application No. 25247), Certificate No. 4872 (Application No. 12487), and Certificate No. 6214 (Application No. 17490), on file with the Nevada Division of Water Resources.

ALSO TOGETHER WITH the right to divert water from the Humboldt River through Big Slough, South Fork Slough, White House Slough, and Rose Canal, and by flooding, for the irrigation of 1031.40 acres of the above-described land, being that portion of the rights allotted to William Dunphy Estate in the Decree of the Sixth Judicial District Court of the State of Nevada in and for the County of Humboldt, in the Matter of the Determination of the Relative Rights of Claimants and Appropriators of the Waters of the Humboldt River Stream System and Its Tributaries, Action No. 2804, H. W. Edwards, Former Judge, presiding (the "Edwards Decree"), which are appurtenant to the above-described land.

PARCEL 2 (Eureka County):

All the Trustor's right, title and interest in and to the following described land under that certain unrecorded Grazing Lease No. SPL-6512 dated May 23, 1986, executed by and between Southern Pacific Land Company, a corporation (Lessor) and John Marvel (Lessee), and any and all extensions thereof, or any replacement thereof:

All that certain real property situate, lying and being in the County of Eureka, State of California, described as follows:

Portion	MDM			Acres
	Sec.	Twp.	Rge.	
All	05	28N	49E	641.4
All	17	28N	49E	640.0
Lots 1, 2, 7, 8, 9 and 10, and S1/2	05	29N	49E	568.35
All	17	29N	49E	640.0
ALL	29	29N	49E	640.0
TOTAL ACRES, MORE OR LESS:				3,129.75

PARCEL 3: (Humboldt County)

TOWNSHIP 34 NORTH, RANGE 43 EAST, M.D.B.&M.

Section 13: SE1/4SE1/4, except a strip of land 100 feet in width being 50 feet on each side of and parallel with the located center line of the Western Pacific Railway Company's line of railroad as the same is staked out and located over and across Section 13, as set forth in Deed recorded in Book 41, Page 221, Deed Records of Humboldt County, Nevada.

Section 24: E1/2E1/2

TOWNSHIP 34 NORTH, RANGE 44 EAST, M.D.B.&M.

Section 18: Lot 4 of the SW1/4
Section 19: ALL
Section 20: SW1/4SW1/4
Section 29: ALL
Section 30: E1/2SW1/4; Lot 3 SW1/4; E1/2; NW1/4

TOGETHER WITH the right to divert water from the Humboldt River through Big Slough, Wilcox Ditch, Overflow Ditch, and Ditch No. 8, for the irrigation of 611.91 acres of the above-described land situated in said Sections 13, 24, 18, 19, and 30, being that portion of the rights allotted to John C. Taylor, Successor to Ellison Ranching Co. in the Decree of the Sixth Judicial District Court of the State of Nevada in and for the County of Humboldt, in the Matter of the Determination of the Relative Rights of Claimants and Appropriators of the Waters of the Humboldt River Stream System and Tributaries, Case No. 2804, Judge George A. Bartlett, presiding (the "Bartlett Decree"), which are appurtenant to the above-described land.

ALSO TOGETHER WITH the right to divert water from the Humboldt River through Eaton Dam Ditch, Ward Ditch, and Wilcox Dam Ditch, for the irrigation of 352.51 acres of the above-described land situated within said Section 29, being those rights allotted to Lulu Kattenhorn Burch in the Decree of the Sixth Judicial District Court of the State of Nevada in and for the County of Humboldt, in the Matter of the Determination of the Relative Rights of Claimants and Appropriators of the Waters of the Humboldt River Stream System and Tributaries, Case No. 2804, Judge George A. Bartlett, presiding (the "Bartlett Decree").

RECORDED AT THE REQUEST OF

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Fraser Title Co.

'88 SEP 15 A9 30

OFFICIAL RECORDS
EUREKA COUNTY, NEVADA
M.N. REBALEATI, RECORDER

FILE NO. FEE \$ 10 00

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