

Recording Requested by:

WHEN RECORDED MAIL TO:

Name [ Nevada Livestock PCA ]  
 Street Address [ P.O. Box 3379 ]  
 [ Reno, NV 89505 ]  
 City State Zip [ ]

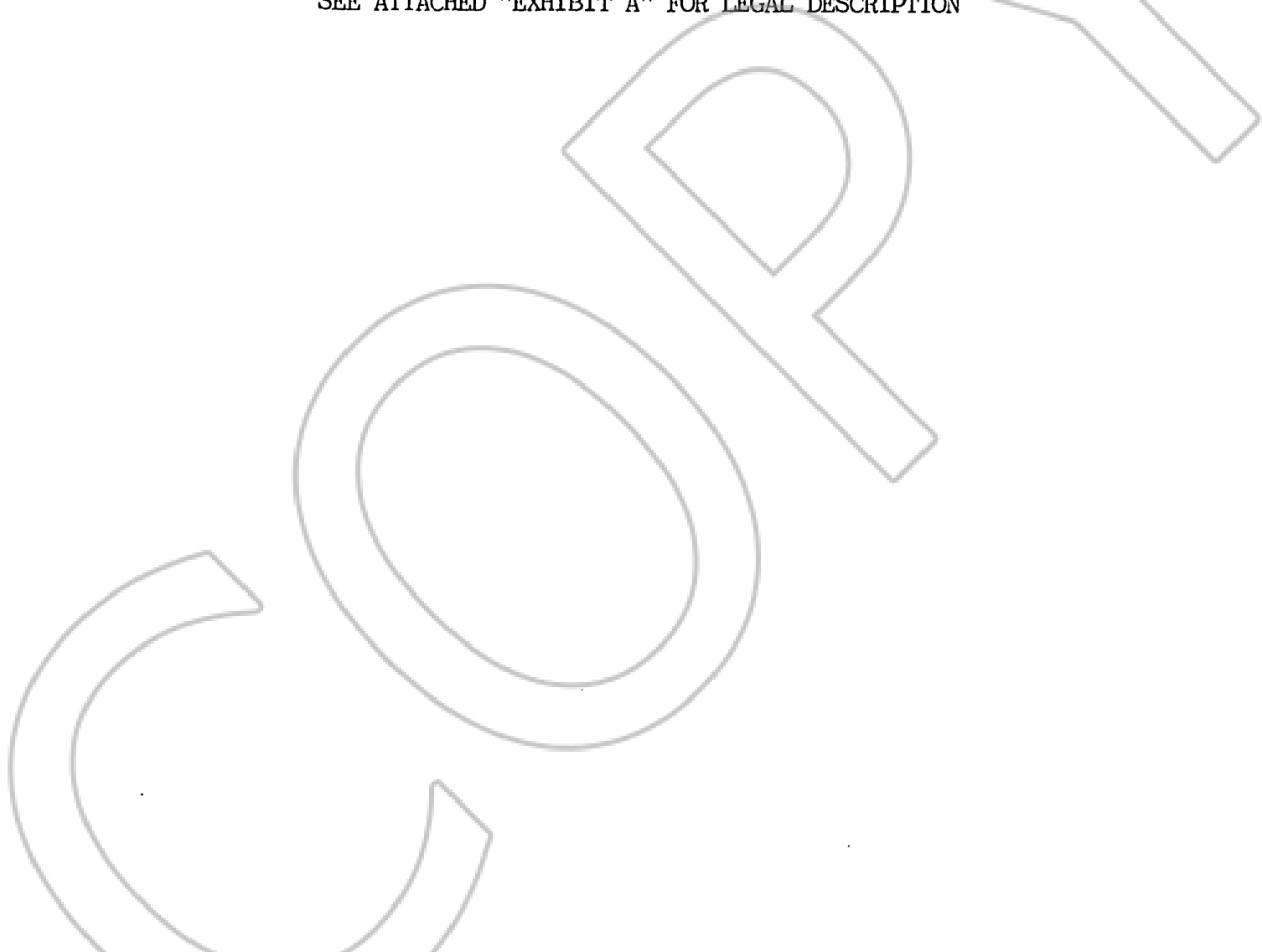
DO-14099-TO

DEED OF TRUST AND ASSIGNMENT OF RENTS

THIS DEED OF TRUST, made this .....4th..... day of .....March....., 1986 between  
 .....Settelmeyer Ranches, Inc., Nevada Corporation.....  
 as Trustor, and .....Nevada Livestock.....  
 PRODUCTION CREDIT ASSOCIATION, a corporation, having its principal place of business in  
 .....Reno, Nevada..... as Trustee, and .....Nevada Livestock.....  
 PRODUCTION CREDIT ASSOCIATION, a corporation existing and operating under the provisions of Title II of  
 the Farm Credit Act of 1971, and amendments thereto, Beneficiary.

WITNESSETH: That Trustor IRREVOCABLY GRANTS, CONVEYS AND ASSIGNS unto said Trustee, in  
 trust, with power of sale together with right of entry and possession the following described real property situated  
 in the County of .....Douglas..... State of .....Nevada.....

SEE ATTACHED "EXHIBIT A" FOR LEGAL DESCRIPTION



TOGETHER WITH: all buildings, structures, equipment, fixtures (including trees, vines and shrubs) and  
 improvements of every kind and description now or hereafter constructed or placed thereon; all existing and future  
 water rights, however evidenced, to the use of water for irrigation, livestock and domestic purposes, including  
 irrigation and watering equipment and systems, ditches, laterals, conduits, and rights-of-way used to convey such  
 water or to drain said property, all of which rights are hereby made appurtenant to said property, and all pumping  
 plants, electrical generators, wind machines, and fencing and storage tanks, now or hereafter used in connection  
 with the property, all of which are hereby declared to be fixtures; all grazing rights, leases, permits and licenses;  
 all oil, gas, and mineral leases, permits and rights used with said property; and all tenements, hereditaments, easements,  
 rights-of-way and appurtenances to said property.

TRUSTOR ABSOLUTELY AND UNCONDITIONALLY ASSIGNS, transfers, conveys and sets over to Beneficiary  
 all the rents, royalties, issues, profits, revenue, income and other benefits of said property arising from the use or  
 enjoyment of all or any portion thereof or from any lease, mineral lease, or agreement pertaining thereto  
 (collectively the "Rents"); SUBJECT, HOWEVER, to the right, power and authority given to and conferred upon  
 Trustor by Paragraph B.3 hereof.

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FOR THE PURPOSE OF SECURING (1) payment of the indebtedness evidenced by promissory note(s) or guaranty made by Trustor, payable to the Beneficiary at the times, in the manner and with interest as therein set forth including but not limited to the following: (The specific listing of promissory notes is optional and the failure to list all or a portion of the promissory notes is not intended to in any way limit the indebtedness secured hereby.)

Face Amount	Dated	Face Amount	Dated	Face Amount	Dated
\$432,472.00	7/3/85	\$52,393.00	3/4/86		

(2) the payment of such additional loans or advances, with interest thereon, as hereafter may be made to Trustor, or Trustor's successors or assigns, including the additional parties named below, evidenced by a promissory note, guaranty or otherwise; (3) the payment of all substitute notes, renewals, reamortizations, and extensions of all indebtedness secured hereby; (4) the performance of every obligation and agreement of Trustor whether contained or incorporated by reference in this Deed of Trust, or contained in any loan document or guaranty executed by Trustor in favor of Beneficiary; and (5) the payment of all sums expended or advanced by Beneficiary under or pursuant to the terms hereof, together with interest thereon as herein provided. The term "Trustor" as used in this Deed of Trust to refer to the indebtedness, loan, or obligations being secured means and includes all parties named as Trustor or the following additional parties: .....

**A. TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR AGREES:**

1. To use loan proceeds solely for the purposes set forth in Trustor's loan application(s); to comply with the Farm Credit Act of 1971, as amended, and/or the regulations of the Farm Credit Administration, now existing or as hereafter amended.

2. To keep the property in good condition, working order and repair; care for the property in accordance with standards of good husbandry and to keep all trees, vines and crops on said land properly cultivated, irrigated, fertilized, sprayed, and fumigated; not to remove, destroy or suffer the removal or destruction of any building, fence, canal, well or other improvements or fixtures thereon; not to remove, replace or alter any horticultural or viticultural tree, vine or shrub planted thereon without the prior written consent of Beneficiary, except in the ordinary course of business; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon; to comply with all laws, covenants and restrictions affecting the property; not to commit or permit waste thereof; not to commit, suffer or permit any act upon the property in violation of law; to do all other acts which from the character or use of the property may be reasonably necessary, the specific enumerations herein not excluding the general; to observe and perform all obligations of Trustor under any lease of said property.

3. To provide, maintain and deliver to Beneficiary fire and all other types of insurance of the type and in amounts as Beneficiary may require, with loss payable clauses solely in favor of Beneficiary. In the event of loss, the insurance proceeds, or any part thereof, may be applied by Beneficiary, at its option, to the reduction of the indebtedness hereby secured or to the restoration or repair of the property damaged. In the event that the Trustor shall fail to provide satisfactory hazard insurance, the Beneficiary may procure, on the Trustor's behalf, insurance in favor of the Beneficiary alone. If insurance cannot be secured by Trustor to provide the required coverage, such inability shall constitute an event of default hereunder.

4. To appear in and litigate any action or proceeding purporting to affect the security hereof, the title to said property, or the rights or powers of Beneficiary or Trustee; Beneficiary or Trustee may appear in and litigate any such action or proceedings, including any bankruptcy or condemnation proceeding, affecting the property, or Beneficiary's interest therein, in which event Trustor agrees to pay all costs and expenses thereof, including attorney's fees and costs of securing evidence of title.

5. To pay on or before the due date all taxes and assessments affecting the property, including all assessments upon water company stock and all rents, assessments and charges for water, appurtenant to or used in connection with the property; to pay, when due, all encumbrances, charges, and liens, on the property or any part thereof, which at any time appear to be prior or superior hereto.

6. Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation to do so and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may: Make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon the property for such purposes; commence, appear in and litigate any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, including any bankruptcy proceeding affecting the property; pay, purchase, contest, or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and in exercising any such powers, incur any liability, expend whatever amounts in its absolute discretion it may deem necessary therefore, including attorney's, accountant's, and appraisal fees and costs of securing evidence of title, and all amounts so expended shall be obligations of Trustor secured by this Deed of Trust.

7. To pay immediately and without demand all sums expended by Beneficiary or Trustee pursuant to the provisions hereof, with interest from date of expenditure at the same rate as is provided for in the note or notes secured by this Deed of Trust; the repayment of all such sums expended shall be secured hereby.

**B. IT IS MUTUALLY AGREED THAT:**

1. Any award of damages in connection with any taking or condemnation or injury to the property by reason of public use, or for damages resulting from private trespass or injury to the property, is absolutely and unconditionally assigned and shall be paid to Beneficiary, under the terms and conditions of this Deed of Trust pertaining to Rents. Upon receipt of such money Beneficiary may apply the same on the indebtedness secured hereby. Trustor agrees to execute such further documents as may be required to effect the assignments herein made as Beneficiary or Trustee may require.

2. At any time, without affecting the liability of any person for the payment of the indebtedness secured hereby, and without otherwise affecting the security hereof, Trustee may (a) consent to or join in the making of any map or plat of the property; (b) grant any easement or create any restriction thereof; (c) subordinate this Deed of Trust; (d) extend or modify the term of the loan or loans secured hereby; and (e) reconvey without warranty, all or any part of the property. Trustor agrees to pay reasonable Trustee's fees for any of the foregoing services.

3. Prior to any default by Trustor in the payment, observance, performance and discharge of any condition, obligation, covenant, or agreement of Trustor contained herein, Trustor may, as the agent and fiduciary representative of Beneficiary for collection and distribution purposes only, collect and receive the Rents as they come due and payable; the Rents are to be applied by Trustor to the payment of the principal and interest and all other sums due or payable on any promissory note or guaranty secured by this Deed of Trust and to the payment of all other sums payable under this Deed of Trust and, thereafter, so long as aforesaid has occurred, the balance shall be distributed to the account of Trustor. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine; also perform such acts of repair, cultivation, irrigation or protection, as may be necessary or proper to conserve the value of the property; also lease the same or any part thereof for such rental, term, and upon such conditions as its judgment may dictate; also prepare for harvest, remove, and sell any crops that may be growing upon the premises, and apply the proceeds thereof upon the indebtedness secured hereby.

4. The entering upon and taking possession of the property, the collection of such rents, issues, and profits, or the proceeds of fire and other insurance policies, or compensation or awards for any taking of or damage to the property, and the application or release thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

5. Upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, all sums secured hereby shall immediately become due and payable at the option of the Beneficiary. In the event of default, Beneficiary may employ counsel to enforce payment of the obligations secured hereby, may cause the Trustee to sell the trust property in accordance with the power of sale granted herein and the applicable state law, and may exercise such other rights and remedies granted by law and equity, which rights and remedies shall be cumulative and not exclusive. Trustee may sell said property either as a whole or in separate parcels, and in such order as it may determine. The purchase price shall be payable in lawful money of the United States at the time of the sale. In exercising the power of sale contained herein, Trustee may hold one or more sales of all or any portion of the property by public announcement at the time and place of sale set forth in the notice thereof, and from time to time thereafter may postpone such sale or sales of all or any portion of the property to the same or separate days by public announcement at such time fixed by the preceding postponement. Any person, including Trustee or Beneficiary, may purchase at such sale. Beneficiary may credit bid at any such sale, and if Beneficiary is the successful purchaser, it may apply any of the outstanding obligations secured hereby in settlement of the purchase price. Beneficiary may resort to and realize upon the security hereunder and any other real or personal property security now or hereafter held by Beneficiary for the obligations secured hereby in such order and manner as Beneficiary may, in its sole discretion, determine. Resort to any or all such security may be taken concurrently or successively and in one or several consolidated or independent judicial actions or lawful nonjudicial proceedings, or both.

6. The failure on the part of the Beneficiary to promptly enforce any right hereunder shall not operate as a waiver of such right and the waiver by Beneficiary of any default shall not constitute a waiver of any other or subsequent defaults. Subsequent acceptance of any payment by the holder hereof shall not be deemed a waiver of any default by Trustor, or of Beneficiary's rights hereunder as the result of any sale, agreement to sell, conveyance, or alienation, regardless of holder's knowledge of such default, sale, agreement to sell, conveyance, or alienation at the time of acceptance of such payment.

7. 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 holder and owner of any note secured hereby; or, if the note has been pledged, the pledgee thereof. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural. All obligations of Trustor hereunder are joint and several.

8. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

9. Beneficiary may, from time to time or at any time, substitute a Trustee or Trustees to execute the trust hereby created, and when any such substitution has been filed for record in the office of the Recorder of the county in which the property herein described is situated, it shall be conclusive evidence of the appointment of such Trustee or Trustees, and such new Trustee or Trustees shall succeed to all of the powers and duties of the Trustee or Trustees named herein.

10. 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 Trustor, or by operation of law or otherwise, except by inheritance, all obligations secured hereby, irrespective of the maturity dates, 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.

11. In the event any one or more of the provisions contained in this Deed of Trust or in any Promissory Note hereby secured shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Deed of Trust or said Promissory Note, but this Deed of Trust and said Promissory Note shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein or therein.

12. The undersigned Trustor agrees that he is entitled only to those notices required by applicable law and requests that a copy of any notice of default and of any notice of sale hereunder be mailed to Trustor at the address set forth below.

Address

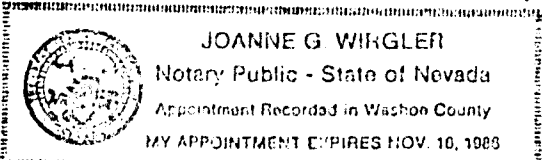
Route 3, Box 330  
Minden, NV 89423

Signature of Trustor  
Settelmeyer Ranches, Inc.  
By: *Arnold Settelmeyer*  
Arnold Settelmeyer, President  
By: *Patricia Settelmeyer*  
Patricia Settelmeyer, Secretary

ACKNOWLEDGMENT  
(Individual)

State of NEVADA  
County of WASHOE SS  
On this 21st day of July, in the year 1986, before me, the undersigned Notary Public in and for said County and State, personally appeared Arnold Settelmeyer and Patricia Settelmeyer  
..... (  personally known to me ) ~~xxx~~ proved to me on the basis of satisfactory evidence) to be the persons whose names are subscribed to this instrument, and acknowledged that they executed it.

My Commission Expires: Nov. 16, 1986



*Joanne G. Wiegler*

"EXHIBIT A"

The land referred to herein is described as follows:

Situate in the County of Douglas, State of Nevada, described as follows:

PARCEL ONE

Being the Southeast one-quarter of the Northeast one-quarter and the Northeast one-quarter of the Southeast one-quarter of Section 36, Township 14 North, Range 19 East, M.D.B. & M.

PARCEL TWO

Being the South one-half of lots 1 and 2 of the Northwest One-quarter, the same being the South one-half of the Northwest one-quarter, and lots 1 and 2 of the Southwest one-quarter, the same being the Southwest one-quarter, all of Section 31, Township 14 North, Range 20 East, M.D.B. & M.

PARCEL THREE

Being lots 1 and 2 of the Northwest one-quarter and the Southwest one-quarter, the same being the West one-half of Section 6 and lots 1 and 2 of the Northwest one-quarter and the Southwest one-quarter, the same being the West one-half of Section 7, all in Township 13 North, Range 20 East, M.D.B. & M.

PARCEL FOUR

Being all that portion of the West one-half of Section 18, Township 13 North, Range 20 East, M.D.B. & M. lying West of Nevada State Highway Route 3 (U.S. 395) and North of the following described right of way line for Nevada Federal Aid Secondary Highway Route 553 (Genoa Lane):

Beginning at the point of intersection of the Western right of way and fence line for Nevada State Highway Route 3 (U.S. 395) and the Northern right of way and fence line for said Secondary Highway Route 553; which point bears South 81° 43' 30" West, a distance of 2696.4 feet from the Northeast corner of said Section 18; thence North 89° 26' 30" West, along said Northern right-of way line a distance of 2500 feet, more or less, to the Western boundary of said Section 18.

PARCEL FIVE

Being all that portion of Section 23, Township 12 North, Range 20 East, M.D.B. lying North and East of the centerline of the East Fork of the Carson River and all of the South one-half of the Southeast one-quarter of Section 14, Township 12 North, Range 20 East, M.D.B. & M.

Excepting therefrom those portions of the Northeast one-quarter of the Northeast one-quarter of said Section 23 and the Southeast one-quarter of the Southeast one-quarter of said Section 14 lying North and East of the following described line:

Beginning at a point on the Southern boundary of said Northeast one-quarter of the Northeast one-quarter, Section 23 which is Easterly a distance of 522 feet from the Southwest corner of said Northeast one-quarter of the Northeast one-quarter; thence North 5° 52' West, 600 feet to a point; thence West, 102.4 feet to a point; thence North 5° 52' West, 970 feet to a point; thence North 9° 44' West, 1100 feet to the Northwest corner of said Southeast one-quarter of the Southeast one-quarter of Section 14.

Also excepting therefrom that portion conveyed to Arnold G. Williams or Phyllis G. Williams in Deed dated July 22, 1952 and recorded July 29, 1952 in Book A-1, page 232 Deed REcords of Douglas County.

Also excepting that portion conveyed to Ray H. Koenig and Jo Ann Koenig in Deed dated February 16, 1962 and recorded March 27, 1962 in Book 11, Page 110 under File No. 19774.

Also excepting therefrom the lands conveyed in the Deed to Lawrence Settelmeyer recorded March 25, 1965 in Book 30 of Official Records at Page 91, Douglas County, Nevada.

Also excepting therefrom the lands conveyed in the Deed from Arthur A. Settelmeyer, et al, to the United States of America, recorded June 9, 1965, in Book 32 of Official Records at Page 79 and re-recorded August 3, 1965, in Book 33 of Official Records at Page 321, Douglas County, Nevada.

Excepting therefrom Parcels 2, 3, 4 and 5 above, any lands lying within the boundaries of U. S. Highway No. 395.

Date:

✓ 7-21-86

✓ 7-21-86

Initials:

✓ A.S.

✓ PS

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EXCEPTING THEREFROM:

Said real property situate, lying and being in the County of Douglas, State of Nevada, being a portion of the NE 1/4 of Government Lot 1 of the NW 1/4 of Section 18, the E 1/2 of Government Lot 1 of the SW 1/4 and the E 1/2 of Government Lot 1 of the NW 1/4 of Section 7, the E 1/2 of Government Lot 1 of the SW 1/4, and the E 1/2 of the E 1/2 of Government Lot 1 of the NW 1/4 and the E 1/2 of the E 1/2 of Government Lot 2 of the NW 1/4 of Section 6, T. 13 N., R. 20 E., M.D.M.; the E 1/2 of Government Lot 1 of the SW 1/4, and the SE 1/4 of Government Lot 1 of the NW 1/4 of Section 31, T. 14 N., R. 20 E., M.D.M.; and more particularly described by metes and bounds as follows, to wit:

BEGINNING at an intersection of the north one-sixteenth section line of Section 31, T. 14 N., R. 20 E., M.D.M. and the left or westerly right-of-way line of US-395 (Project F-395-1(3)) 80.00 feet left of and at right angles to Highway Engineer's Station "S" 330+07.55 P.O.T.; said point of beginning further described as bearing S. 18° 17' 29" E. a distance of 7,017.34 feet from the northwest corner of Section 30, T. 14 N., R. 20 E., M.D.M.; thence S. 89° 00' 52" E. along said one-sixteenth section line a distance of 110.01 feet to an intersection with the former left or westerly right-of-way line of said US-395; thence S. 0° 37' 25" W. along said right-of-way line a distance of 4,648.08 feet to a point; thence S. 0° 21' 06" W. along said right-of-way line a distance of 10,356.62 feet to an intersection with the northerly right-of-way line of SR-206 (Genoa Lane); thence N. 88° 44' 54" W. along said northerly right-of-way line a distance of 110.00 feet to an intersection with said left or westerly right-of-way line; thence N. 0° 21' 06" E. along said right-of-way line a distance of 10,355.16 feet to a point; thence N. 0° 37' 25" E. along said right-of-way line a distance of 4,649.03 feet to the point of beginning; said parcel contains an area of 37.89 acres, more or less.

EXCEPTING THEREFROM:

Said real property situate, lying and being in the County of Douglas, State of Nevada, and being a portion of the E 1/2 of Government Lot 1 of the NW 1/4 of Section 18, T. 13 N., R. 20 E., M.D.M.; and more particularly described by metes and bounds as follows, to wit:

BEGINNING at an intersection with the "A" centerline of SR-206 (Genoa Lane) and the left or westerly right-of-way line of US-395 (Project F-395-1(3)) 80.00 feet left of and at right angles to Highway Engineer's Station "S" 179+73.75 P.O.T.; said point of beginning further described as bearing S. 78° 01' 56" E. a distance of 2,421.26 feet from the northwest corner of Section 18, T. 13 N., R. 20 E., M.D.M.; thence N. 0° 21' 06" E. along said left or westerly right-of-way line a distance of 30.00 feet to an intersection with the northerly right-of-way line of said Genoa Lane; thence S. 88° 44' 54" E. along said right-of-way line a distance of 110.00 feet to an intersection with the former left or westerly right-of-way line of said US-395; thence S. 0° 21' 06" W. along said westerly right-of-way line a distance of 30.00 feet to an intersection with said "A" centerline of Genoa Lane; thence N. 88° 44' 54" W. along said centerline a distance of 110.00 feet to the point of beginning; said parcel contains an area of 3,300 square feet, more or less.

REQUESTED BY  
Northern Nevada Title Company  
IN OFFICIAL RECORDS OF  
DOUGLAS COUNTY, NEVADA

36 JUL 31 P2:39

SUZANNE DEAUDREAU  
RECORDER

10.00 PAID JLL DEPUTY

138344

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Date: Initials:  
✓ 7-21-86 ✓ A.S.  
✓ 7-21-86 ✓ P.S.