

ELKO COUNTY

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GRANT, BARGAIN AND SALE DEED

THIS INDENTURE made this 17th day of April, 1987 between McCormick Brothers, a Colorado general partnership, whose address is Rural Route 3, Stratton, Colorado 80836, of the first part, and Wells Fargo Ag Credit Corp, a corporation organized and existing under and by virtue of the laws of the State of California, of the second part, whose legal address is P. O. Box 3937, Englewood, Colorado 80155.

WITNESSETH, that the said party of the first part for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, including without limitation party's of the second part agreements and covenants contained in the Ninth Addendum (of even date herewith) to the Credit Agreement dated July 28, 1982 between the parties to this Warranty Deed, the receipt whereof is hereby confessed and acknowledged, does by these presents grant, bargain and sell unto the said party of the second part, its successors and assigns forever, all of the following described property situate, lying and being in the County of Elko, State of Nevada, to-wit:

That property more particularly described in Exhibit "A" attached hereto and made a part hereof by this reference.

TOGETHER with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, specifically including but not limited to, all of the first party's interest in all water, water rights, water privileges, ditches, ditch rights, ditch privileges, minerals and mineral ores of every kind and nature now known to exist or hereafter discovered upon, within or underlying the subject property, including without limitation, all petroleum, oil, natural gas and products derived therefrom, and all steam and geothermal rights, rights-of-way, headgates, flumes, wells, well equipment, pumps, pumping equipment, pumping accessories, sprinkler systems, fences, corrals, silos, elevators, storage bins and other storage facilities, warehouse buildings, building fixtures, building equipment, along with all other fixtures now or hereafter installed in, attached to or used in connection with the premises herein described, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof.

SUBJECT TO all conditions, covenants, easements, exceptions, reservations, restrictions, rights-of-way and encumbrances specified in Exhibit "B" attached hereto and made a part hereof.

TO HAVE AND TO HOLD, all and singular the said premises together with the appurtenances, unto the said party of the second part, its successors and assigns forever.

The parties hereto hereby agree that the encumbrances in favor of Wells Fargo Ag Credit Corp referred to in Exhibit "B" shall be preserved and shall not merge and are not intended to merge into the estate and fee conveyed hereby.

IN WITNESS WHEREOF, said parties of the first part have hereunto set its hand and seal the day and year first above written.

DEED IN LIEU OF FORECLOSURE  
DOCUMENTARY TRANSFER TAX \$ NONE  
 COMPUTED ON FULL VALUE OF PROPERTY CONVEYED OR  
 COMPUTED ON FULL VALUE LESS LIENS AND ENCUMBRANCES  
REMAINING THEREON AT TIME OF TRANSFER.  
UNDER PENALTY OF PERJURY:  
FIRST AMERICAN TITLE COMPANY  
*Maria Cavallero*  
SIGNATURE OF DECLARANT OR AGENT  
DETERMINING TAXABLE VALUE

MCCORMICK BROTHERS

By: *James L. McCormick, Jr.*  
James L. McCormick, Jr.  
General Partner

By: *Daniel M. McCormick*  
Daniel M. McCormick  
General Partner

STATE OF COLORADO )  
County of *Arapahoe* ) ss.

On April 17, 1987 personally appeared before me, a notary public, *James L. McCormick and Daniel M. McCormick, general partners of McCormick Brothers, who* ~~James L. McCormick and Daniel M. McCormick~~ *as partners of McCormick Brothers, who* acknowledge that they executed the above instrument.

WITNESS my hand and official seal.

My commission expires: 6/30/89

*Constance S. O'Hara*  
Notary Public



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ELKO COUNTY

EXHIBIT A

All that certain lot, piece or parcel of land situate in the County of Elko, State of Nevada more particularly described as follows:

**PARCEL 1**

TOWNSHIP 37 NORTH, RANGE 57 EAST, MDB&M

SECTION 1: Lots 2, 3 and 4; S1/2NW1/4; SW1/4  
SECTION 2: SE1/4NE1/4; E1/2SE1/4  
SECTION 11: NE1/4; S1/2  
SECTION 12: W1/2NW1/4; NW1/4SW1/4  
SECTION 14: W1/2E1/2; W1/2  
SECTION 15: E1/2SE1/4  
SECTION 22: E1/2E1/2  
SECTION 23: W1/2  
SECTION 26: W1/2  
SECTION 27: NE1/4NE1/4; S1/2NE1/4; SE1/4  
SECTION 34: E1/2W1/2; E1/2  
SECTION 35: W1/2W1/2

<sup>See to</sup>  
EXCEPTING THEREFROM

all mines of gold, silver, copper, lead, cinnabar and other valuable minerals which may exist in said tract as expressly reserved in Patent issued by the STATE OF NEVADA, recorded April 5, 1901 in Book 3 of Patents at Page 78, and September 1, 1917 in Book 8 of Patents at Pages 340; 344, 345 and 348, all in Elko County, Nevada.

TOWNSHIP 38 NORTH, RANGE 57 EAST, MDB&M

SECTION 1: E1/2; NE1/4SW1/4; SW1/4SW1/4; SW1/4NW1/4;  
Lot 4 (NW1/4NW1/4)  
SECTION 3: All  
SECTION 11: All  
SECTION 13: NW1/4NW1/4; S1/2NW1/4; N1/2NE1/4; SE 1/4NE1/4;  
S1/2  
SECTION 23: All  
SECTION 24: E1/2E1/2  
SECTION 25: All  
SECTION 35: All  
SECTION 36: All

TOWNSHIP 38 NORTH, RANGE 58 EAST, MDB&M

SECTION 5: All  
SECTION 7: All  
SECTION 17: All  
SECTION 19: Lots 1, 2, 3 and 4 (W1/2W1/2); E1/2W1/2; E1/2  
SECTION 21: All  
SECTION 29: All  
SECTION 30: Lots 1, 2, 3 and 4 (W1/2W1/2)

**PARCEL 2**

TOWNSHIP 37 NORTH, RANGE 57 EAST, MDB&M

SECTION 11: NW1/4  
SECTION 15: W1/2SE1/4; NE1/4  
SECTION 27: NW1/4NE1/4

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EXCEPTING THEREFROM all petroleum, oil, natural gas, and products derived therefrom, within or underlying said lands or that may be produced therefrom, as reserved by SOUTHERN PACIFIC COMPANY in Deed recorded July 22, 1959, in Book 76 of Deeds at page 520, Elko County, Nevada, records; and by STRATHEARN CATTLE CO. in Deed recorded November 19, 1957 in Book 73 of Deeds at page 38, Elko county, Nevada, records; and by A.B. MCKINLEY AND SONS, INC., in deed recorded June 14, 1960 in Book 4 of Official Records at page 268, Elco County, Nevada, records.

PARCEL 3

TOWNSHIP 37 NORTH, RANGE 57 EAST, MDB&M

SECTION 2: Lots 1 and 2 (N1/2NE1/4); SW1/4NE1/4; W1/2SE1/4

EXCEPTING THEREFROM all the oil and gas in the lands and the right to prospect for, mine, and remove such deposits from the same upon compliance with the condition and subject to the provisions and limitations of the Act of July 17, 1914 (39 Stat. 509), reserved by UNITED STATES OF AMERICA in Patent recorded in Book 38 of Official Records at page 219, Elko County, Nevada.

TOWNSHIP 38 NORTH, RANGE 57 EAST, MDB&M

SECTION 24: W1/2; W1/2E1/2

EXCEPTING THEREFROM Parcels 1 through 3 an undivided one-sixth (1/6) interest of the minerals and ores of every kind and character now known to exist or hereafter discovered upon, within or underlying the foregoing specifically described parcels of land, or that may be produced therefrom, including without limiting the generality of the foregoing, all petroleum, oil, natural gas and products derived therefrom as reserved in Deed executed by PETER E. MARBLE, et. al. recorded December 14, 1973 in Book 188 of Official Records at page 56, Elko County, Nevada.

FURTHER EXCEPTING THEREFROM Parcels 1 through 3 an undivided 1/10th interest in and to all gas, oil, and mineral rights owned by PETER E. MARBLE, a single man, in and to said land as set forth in the Quitclaim Deed recorded October 2, 1975 in Book 219 at page 320 of Official Records, Elko County, Nevada.

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EXHIBIT B

1. Taxes for the fiscal year July 1, 1986 to June 30, 1987, including any secured personal property taxes and any district assessments collected therewith, the 1st quarterly installment has been paid, the 2nd, 3rd and 4th quarterly installments are delinquent, and subject to penalties and interest on a tax bill of \$12,388.11, APN#06-570-02-2, including Special Assessment Taxes on the following:

Sewer and Water	\$3,889.11
Livestock	8 45.00

Taxes for the fiscal year July 1, 1986 to June 30, 1987, including any secured personal property taxes and any district assessments collected therewith, the 1st quarterly installment has been paid, the 2nd, 3rd and 4th quarterly installments are delinquent, and subject to penalties and interest on a tax bill of \$5,943.76, APN#06-560-01-8.  
(Affects subject and additional lands)

2. In the event improvements have been commenced within the past year, the lien, if any, of supplemental taxes, assessed pursuant to the provisions of the 1983 Nevada Legislature under Nevada Revised Statutes No. 361.026, may be attached.

3. The lien for any deferred taxes by reason of an application for Agricultural Use Assessment filed by JIM McCORMICK and DAVE McCORMICK and recorded October 3, 1975 in Book 222 of Official Records at Page 264, Elko County, Nevada.  
Said lien becomes payable upon conversion of said lands from agricultural use to a higher use as defined in NRS361A.032.

4. All existing rights of way, easements, licenses, or privileges for roads, trails, canals, ditches, flumes, conduits, pipe, pole or transmission lines, on, under, over, through or across said premises.

5. Conditions contained in Deed executed by CENTRAL PACIFIC RAILROAD COMPANY, recorded in the office of the County Recorder of Elko County, Nevada, containing, among other things, the following:

"EXCEPTING AND RESERVING HOWEVER for railroad purposes a strip of land 400 feet wide lying equally on each side of the track of the railroad of said company or any branch railroad now or hereafter constructed on said lands and the right to use all water needed for the operating and repairing of said railroad which rises on said lands and the right of way to conduct water rising on other lands, across said lands in pipes or aqueducts for said purposes and subject also to the reservations and conditions that the said purchaser, his heirs and assigns, shall erect and maintain good and sufficient fences on both sides of said strip or strips of land."

Affects portions of Section 1, 11, 15, 23, 27 and 35, Township 37 North, Range 57 East, MDB&M, part of Section 25 Township 38 North, Range 57 East, MDB&M., and part of Section 19, Township 38 North, Range 58 East, MDB&M.

6. Reservations and conditions contained in Deed dated October 11, 1919 from CENTRAL PACIFIC RAILWAY COMPANY to J.J. EYLTOW, conveying portions of Section 13, 23, 25 and 35, Township 38 North, Range 57 East, MDB&M and Section 17, 19, 21 and 29, Township 38 North, Range 58 East, MDB&M., recorded December 5, 1919 in Book 38 of Deeds at Page 192, Elko County, Nevada, reading as follows:

"Subject to the condition that first party shall not be hold liable for any encroachments on said Section 25 by existing ditch, and on said Section 35 by existing pole line.

Excepting a right of way of lawful width for any and all County Roads heretofore lawfully established and now in public use upon and across the said lands."

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7. Reservations and conditions contained in Deed dated June 8, 1920 from CENTRAL PACIFIC RAILWAY COMPANY to J.J. NYLTON conveying portions of Sections 1, 3 and 11, Township 38 North, Range 57 East, MDB&N, and Sections 5 and 7, Township 38 North, Range 58 East, MDB&N, recorded July 27, 1920 in Book 38 of Deeds at Page 488, Elko County, Nevada, reading as follows:

"Subject to the condition that first party shall not be hold liable for any encroachments on said Section 25 by existing ditch, and on said Section 35 by existing pole line.

Excepting a right of way of lawful width for any and all County Roads heretofore lawfully established and now in public use upon and across the said lands."

8. An easement for the maintenance of a telephone line with the right of ingress and egress for the purpose of installing, inspecting or repairing the same as an appurtenance to the Mala Vista Ranch, as set forth in an instrument recorded May 4, 1954 in Book 21 of Miscellaneous Records at Page 253, in the Office of the Elko County Recorder, Elko County, Nevada. Location of said easement is not defined of record.

9. Reservations contained in Deed dated June 19, 1959 from SOUTHERN PACIFIC COMPANY to A.B. MCKINLEY AND SONS, INC., conveying all of Parcel 2, recorded July 22, 1959 in Book 76 of Deeds at Page 520, Elko County, Nevada, reading as follows:

"EXCEPTING AND RESERVING unto the Grantor, its successors and assigns, all petroleum, oil, natural gas, and products derived therefrom, within or underlying said land or that may be produced therefrom, and all rights thereto, together with the exclusive right at all times to enter upon or in said land to prospect for and to drill, bore, recover and remove the same."

SUBJECT, however, to any and all easements and rights of way and to existing tax and assessment liens and SAVE AND EXCEPTING THEREFROM, a strip of land 400.00 feet in width, lying equally on each side of each main track, side track, spur, switch and branch line of Central Pacific Railway Company as the same are now, or may hereafter be, constructed upon, across or adjacent to said land."

ALSO, SAVE AND EXCEPTING THEREFROM, the right to use all water naturally rising upon or flowing across said land which may be needed for the operation and repair of such railroad, and the right to conduct the same, as well as water rising upon other land, across the land herein described, in pipes or aqueducts, for the purpose aforesaid; together with all necessary rights of way therefore. It is agreed that no lapse of time in the exercise of the right to take and use water, or in the selection of the strips of land herein excepted or rights of way for the conduct of water, shall be deemed an abandonment of said rights or property by Grantor, nor a vestiture of any adverse right in the Grantee.

SAID GRANTEE agrees to erect and forever maintain good and sufficient fences on both sides of said strip or strips of land herein excepted."

10. Reservations contained in Patent from THE UNITED STATES OF AMERICA to JOHN RUTMAN recorded August 9, 1953 in Book 38 of Official Records at Page 219, Elko County, Nevada, reading as follows:

"Subject to any vested and accrued water rights for mining, agricultural, manufacturing, or other purposes, and rights to ditches and reservoirs used in connection with such water rights, as may be recognized and acknowledged by the local customs, laws, and decisions of courts; and there is reserved from the lands hereby granted a right of way thereon for ditches or canals constructed by the authority of the United States.

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10. Continued

EXCEPTING AND RESERVING, also, to the United States all the oil and gas in the lands so patented, and to it, or persons authorized by it the right to prospect for, mine, and remove such deposits from the same upon compliance with the conditions and subject to the provisions and limitations of the Act of July 17, 1914 (38 Stat.509)."

Affects Parcel 3

11. Reservation contained in Patent from the UNITED STATES OF AMERICA to JOHN RUTMAN, recorded August 9, 1953 in Book 38 of Official Records at page 220, Elko County, Nevada, reading as follows:

"Subject to any vested and accrued water rights for mining, agricultural, manufacturing, or other purposes, and rights to ditches and reservoirs used in connection with such water rights, as may be recognized and acknowledged by the local customs, laws, and decisions of courts; and there is reserved from the lands hereby granted a right-of-way thereon for ditches or canals constructed by the authority of the United States."

Affects Parcel 3

12. A right of way and easement 20 feet in width over the N1/2 of Section 11, Township 38 North, Range 57 East, and SE1/4 of Section 8, and N1/2 of Section 7, Township 38 North, Range 58 East, MDB&N. (location undisclosed) for underground cable and other incidental purposes together with the right of ingress and egress granted to AMERICAN TELEPHONE AND TELEGRAPH COMPANY by document recorded September 17, 1967 in Book 87 of Official Records at page 560, Elko County, Nevada.

13. A right of way for repair, maintenance and improvement of a private road over portions of Sections 11, 13, 24, 35 and 36, Township 38 North, Range 57 East, MDB&N., (location as shown on map attached to said document) as granted to AMERICAN TELEPHONE AND TELEGRAPH COMPANY by document recorded May 28, 1971 in Book 146 of Official Records at Page 265, Elko County, Nevada.

14. A Lease of Oil and Gas dated February 17, 1978, executed by MCCORMICK BROTHERS, a partnership between JAMES L. MCCORMICK, JR. and DANIEL M. MCCORMICK as lessor and by HUNT OIL COMPANY OF NEVADA as lessee, with option of renewal or as long as production continues if so stated, for the term of 10 years from February 17, 1978 recorded September 8, 1978 in Book 275 of Official Records at Page 560, Elko County, Nevada.

By Correction of Description in Lease executed by JAMES L. MCCORMICK, JR. and DANIEL M. MCCORMICK recorded April 9, 1979 in Book 289 of Official Records at Page 595, Elko County, Nevada, said document purports to correct legal description of said lease. (Affects portions of Parcel 1 and other property)

15. A mortgage dated July 28, 1982, executed by MCCORMICK BROTHERS, a Colorado general partnership, a/k/a MCCORMICK BROS., mortgagor, to secure the payment of \$9,800,000.00 with interest etc., unto WELLS FARGO AG CREDIT CORP. a California corporation, mortgagee according to the terms therein of a certain promissory note of even date and said mortgage recorded August 9, 1982 as Document No. 188435, of Official Records in Book 397 at Page 406, Elko County, Nevada.

By Addendum to Real Estate Mortgage executed by MCCORMICK BROTHERS and WELLS FARGO AG CREDIT CORP., a California corporation recorded October 11, 1983 in Book 438 of Official Records at Page 579, Elko County, Nevada, the terms of said Mortgage were amended to increase the total amount to \$11,000,000.00.

By Consent to Easement executed by WELLS FARGO AG CREDIT CORP. recorded November 12, 1986 in Book 542 of Official Records at Page 160, Elko County, Nevada, Beneficiary and Trustee, consents to that certain Easement shown as Item No. 43 herein.

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18. A Deed of Trust to secure an indebtedness of \$18,700,000.00, recorded November 8, 1984 in Book 477 of Official Records at page 919, Elko County, Nevada, as Document No. 198864.

Dated: October 26, 1984  
Trustor: McCORMICK BROTHERS, a Colorado general partnership a/k/a McCORMICK BROS.,  
Trustee: FIRST AMERICAN TITLE COMPANY OF NEVADA  
Beneficiary: WELLS FARGO AG CREDIT CORP., a California Corporation

(Affects the herein described and other property)

19. An easement and right of way for a barbed-wire fence, cattle-guards and gates over a 20 foot strip, lying 10 feet on each side of a fence as shown and delineated in that document executed by McCORMICK BROS., a general partnership to UNITED STATES OF AMERICA, DEPARTMENT OF THE INTERIOR, BUREAU OF LAND MANAGEMENT recorded December 19, 1985 in Book 511 of Official Records at Page 511, Elko County, Nevada.

Affects the following described:

TOWNSHIP 38 NORTH, RANGE 87 EAST, NDM

Section 1: Lot 4, SW1/4NW1/4, NE1/4SW1/4, SE1/4  
Section 3: Lot 1  
Section 13: E1/2NE1/4

TOWNSHIP 38 NORTH, RANGE 88 EAST, NDM

Section 7: Lots 1-4

CERTIFICATION OF COPY

STATE OF NEVADA  
COUNTY OF ELKO ) SS.

I, JERRY D. REYNOLDS, the duly elected and qualified Recorder of Elko County, in the State of Nevada, do hereby certify that this is a true, full and correct copy of the instrument now on record in this office. IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of my office, in Elko, Nevada this

day of MAK 04 1988 A.D. 19  
JERRY D. REYNOLDS, COUNTY RECORDER

(SEAL)

FEE 712.00 FILE # 227952  
FILED FOR RECORD  
AT REQUEST OF  
First American Title Co. Of Nev.

'87 APR 30 P3:11

INDEXED

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JERRY D. REYNOLDS  
ELKO CO. RECORDER

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