

WHEN RECORDED MAIL TO:
Washoe Title Guaranty Company
P. O. Box 3498
Reno, Nv. 89505

500595

86382

(8)

(Ref.: Eureka Co.)

LOAN ASSUMPTION AND MODIFICATION AGREEMENT

RECITALS:

A. The Travelers Insurance Company, a Connecticut corporation (hereinafter "Travelers"), made a loan (hereinafter "Baldarelli Loan") to Libero Paul Baldarelli, A'Lyce Baldarelli, Libero Paul Baldarelli, Jr., individually, Libero Paul Baldarelli, Jr. as Trustee for the Baldarelli Family Trust, and LAPJ/Valiant Farms, a family partnership consisting of said individuals (hereinafter "Baldarelli"), in the original principal sum of Three Million Dollars (\$3,000,000.00), evidenced by a First Mortgage Note dated September 7, 1978 (the "Baldarelli Note"), and secured by a Deed of Trust of same date (the "Baldarelli Trust Deed"), recorded December 15, 1978 in Book 283 of Official Records at Page 163, Elko County, Nevada; December 15, 1978, in Book 162 of Official Records at Page 174, Lander County, Nevada; December 15, 1978, in Book 67 of Official Records at Page 473, Eureka County, Nevada; December 15, 1978 in Book 232 of Official Records at Page 450, Nye County, Nevada; and December 15, 1978, in Book 420 of Real Estate Records, Page 497, White Pine County, Nevada. The Baldarelli Trust Deed covers the real property described in Exhibit A attached hereto and by this reference made a part hereof (the "Eureka Property"). The loan is also secured by a Security Agreement dated September 7, 1978 covering the personal property described therein (the "Baldarelli Security Agreement"). The Baldarelli Note and Baldarelli Trust Deed was amended by "Amendment to Note and Deed of Trust" executed December 22, 1981, recorded March 16, 1982, Book 386, Page 338, File No. 161312, Elko County, Nevada; March 19, 1982, Book 210, Page 113, Instrument No. 111738, Lander County, Nevada; March 17, 1982, Book 49, Page 559, Instrument No. 219139, White Pine County, Nevada; March 17, 1982, Book 101, Page 483, File No. 84005, Eureka County, Nevada; and March 18, 1982, Book 337, Page 167, File No. 58846, Nye County, Nevada. Under said Amendment, the interest rate was increased to 15-1/2% per annum and the default rate to 18% per annum effective from November 19, 1981. The Baldarelli Note and Trust Deed (as previously amended) and Security Agreement are sometimes collectively referred to herein as the "Baldarelli Loan Documents." The Baldarelli Trust Deed (as previously amended) and Security Agreement are sometimes hereinafter collectively referred to herein as the "Baldarelli Security Instruments." The balance now owing on the Baldarelli loan, including accrued

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interest, fees, costs and other disbursements, is now in excess of \$4,200,000.00.

B. Travelers made a loan (the "Harris Loan") to Malcolm B. Harris, Ada G. Harris, Bill Harris and Rosalyn Grant Harris, as individuals and to Harris Brothers Ranch, a partnership consisting of said individuals (hereinafter "Harris"). The Harris loan was in the original principal sum of Five Hundred Thousand Dollars (\$500,000.00). It is evidenced by a First Mortgage Note dated January 20, 1972 (the "Harris Note") and secured by a Deed of Trust of same date (the "Harris Trust Deed"), recorded in the office of the County Recorder of White Pine County, State of Nevada, on February 1, 1972, in Book 352, Page 448, File No. 172832 of Real Estate Records. The Harris Trust Deed covers the real property described in Exhibit B attached hereto and by this reference made a part hereof (the "Warm Springs Property"). Daniel H. Russell assumed the Harris Loan by Assumption Agreement dated December 3, 1982. In addition to the Harris Trust Deed, the Warm Springs Property is encumbered by a Second Deed of Trust in favor of Harris, as Beneficiary, on which there is now owing the approximate sum of \$220,000.00.

C. Russell is purchasing the Eureka Property and has requested that Travelers assist in the financing of the purchase by increasing the principal balance under the Baldarelli Loan to the sum of \$3,700,000.00. Travelers is willing to consent to the request, on the terms and conditions set forth below.

AGREEMENT:

1. Baldarelli Modification. The Baldarelli loan is hereby modified as follows:

1.1 Effective as of December 20, 1982, the principal loan balance owing under the Baldarelli loan, as evidenced by the Baldarelli Note and secured by the Baldarelli Security Instruments, shall be and is the sum of \$3,700,000.00 plus interest from and after January 1, 1983, or the date escrow closes on the purchase by Russell of the Eureka Property, whichever first occurs.

1.2 The effective interest rate under the Baldarelli Loan, as evidenced by the Baldarelli Note and secured by the Baldarelli Security Instruments is and remains 15-1/2% per annum and the default rate is and remains 18% per annum.

2 - LOAN ASSUMPTION AND MODIFICATION AGREEMENT

BOOK | 08 PAGE | 87

1.3 The principal and interest owing under the Baldarelli Loan, as hereinabove specified, shall be payable as follows:

Interest from December 20, 1982 to January 1, 1983, shall be payable on January 1, 1983; principal payments in the sum of \$165,000.00 each, plus interest accrued to the payment date, shall be due and payable on January 1, 1984 and January 1st of each succeeding year, to and including January 1, 1993; and the final installment shall be due and payable on January 1, 1994, consisting of all sums then unpaid, including the entire principal balance, all accrued interest and any other sums secured.

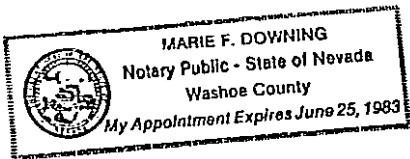
1.4 The Warm Springs Property (described in Exhibit B hereto) is hereby subjected to the lien of the Baldarelli Trust Deed (as amended), the same as if it were described in said Trust Deed, and Russell hereby irrevocably grants, bargains, sells, transfers, conveys and confirms unto the Trustee of the Baldarelli Trust Deed, in Trust, with power of sale, all of said Property, pursuant to the terms and provisions of the Baldarelli Trust Deed (as amended). The Baldarelli Trust Deed (as amended) shall constitute a third lien upon the Warm Springs Property, subordinate to the Harris Trust Deed in favor of Travelers as beneficiary and the second deed of trust in favor of Harris as beneficiary.

2. Russell Assumption. Russell does hereby assume and agree to pay to Travelers the indebtedness evidenced by the Baldarelli Note, as previously amended and as modified herein, including interest thereon as hereinabove provided and all additional sums hereafter advanced, and does further hereby agree to be bound by and to perform all of the covenants, terms and conditions of the Baldarelli Note, Trust Deed and Security Agreement, as previously amended and as modified herein.

3. Cross-Default. A default under any covenant, term or condition of the Harris Note or Trust Deed or the Russell Assumption Agreement relating thereto shall be deemed a default under the Baldarelli Note and Security Instruments, as previously amended and as modified herein. Correspondingly, a default under any covenant, term or condition of the Baldarelli Note or Security Agreement, as previously amended and as modified herein, shall be deemed a default

STATE OF NEVADA

County of Washoe }
On this 10th day of February in the year one thousand nine hundred and eighty-three
personally appeared before me, MARIE F. DOWNING, a Notary Public in and
for said Washoe County
Thomas S. Van Horne



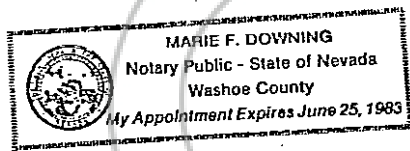
IN WITNESS WHEREOF, I have hereunto
set my hand and affixed my official stamp, at my
office in Reno, Nevada
the day and year last above written.

Marie F. Downing

known to me to be the person whose name is subscribed to the within
instrument, as the attorney in fact of DANIEL H. RUSSELL
and he, the said Thomas S. Van Horne
acknowledged to me that he signed the name of the said
DANIEL H. RUSSELL
thereto as principal and his own
name as attorney in fact, and that as such attorney in fact he executed the fore-
going instrument freely and voluntarily and for the uses and purposes therein
mentioned.
CARLISLE'S FORM NO. 24N—(ACKNOWLEDGMENT-ATTORNEY IN FACT) 8-16497

STATE OF NEVADA

County of Washoe }
On this 10th day of February in the year one thousand nine hundred and eighty-three
personally appeared before me, MARIE F. DOWNING, a Notary Public in and
for said Washoe County
Thomas S. Van Horne



IN WITNESS WHEREOF, I have hereunto
set my hand and affixed my official stamp, at my
office in Reno, Nevada
the day and year last above written.

Marie F. Downing

known to me to be the person whose name is subscribed to the within
instrument, as the attorney in fact of ROBERTA A. RUSSELL
and he, the said Thomas S. Van Horne
acknowledged to me that he signed the name of the said
ROBERTA A. RUSSELL
thereto as principal and his own
name as attorney in fact, and that as such attorney in fact he executed the fore-
going instrument freely and voluntarily and for the uses and purposes therein
mentioned.
CARLISLE'S FORM NO. 24N—(ACKNOWLEDGMENT-ATTORNEY IN FACT) 8-16497

EXHIBIT "A"

DESCRIPTION

All that certain real property situate in the Counties of Elko, Eureka, Lander, Nye and White Pine, State of Nevada, and more particularly described as follows:

Situate in the County of White Pine, State of Nevada, as follows, to-wit:

TOWNSHIP 22 NORTH, RANGE 55 EAST, M.D.B.&M.

Section 1: Lots 1 & 2; SE $\frac{1}{4}$ NE $\frac{1}{4}$

TOWNSHIP 23 NORTH, RANGE 55 EAST, M.D.B.&M.

Section 23: SE $\frac{1}{4}$
Section 24: NE $\frac{1}{4}$ NW $\frac{1}{4}$; S $\frac{1}{4}$ NW $\frac{1}{4}$; SW $\frac{1}{4}$; E $\frac{1}{4}$
Section 25: All
Section 26: E $\frac{1}{4}$
Section 35: E $\frac{1}{4}$
Section 36: All

TOWNSHIP 25 NORTH, RANGE 55 EAST, M.D.B.&M.

Section 2: SW $\frac{1}{4}$ NW $\frac{1}{4}$; W $\frac{1}{2}$ SW $\frac{1}{4}$; SE $\frac{1}{4}$ SW $\frac{1}{4}$
Section 3: Lots 1 & 2; SE $\frac{1}{4}$ NE $\frac{1}{4}$; NE $\frac{1}{4}$ SE $\frac{1}{4}$
Section 11: SE $\frac{1}{4}$ SW $\frac{1}{4}$
Section 14: E $\frac{1}{2}$ NW $\frac{1}{4}$; E $\frac{1}{4}$ SW $\frac{1}{4}$; SW $\frac{1}{4}$ SE $\frac{1}{4}$
Section 23: E $\frac{1}{2}$ NW $\frac{1}{4}$; W $\frac{1}{2}$ E $\frac{1}{4}$
Section 26: W $\frac{1}{2}$ NE $\frac{1}{4}$; W $\frac{1}{2}$ SW $\frac{1}{4}$
Section 34: SW $\frac{1}{4}$ NE $\frac{1}{4}$; NE $\frac{1}{4}$ SE $\frac{1}{4}$
Section 35: NW $\frac{1}{4}$ NW $\frac{1}{4}$

TOWNSHIP 26 NORTH, RANGE 55 EAST, M.D.B.&M.

Section 27: SW $\frac{1}{4}$ SE $\frac{1}{4}$
Section 34: W $\frac{1}{2}$ NE $\frac{1}{4}$; NW $\frac{1}{4}$ SE $\frac{1}{4}$

TOWNSHIP 22 NORTH, RANGE 56 EAST, M.D.B.&M.

Section 6: SE $\frac{1}{4}$ NW $\frac{1}{4}$; Lots 3, 4 & 5

TOWNSHIP 23 NORTH, RANGE 56 EAST, M.D.B.&M.

Section 19: E $\frac{1}{2}$ SW $\frac{1}{4}$; Lots 3 & 4
Section 30: E $\frac{1}{2}$ W $\frac{1}{2}$; Lots 1, 2, 3 & 4
Section 31: E $\frac{1}{2}$ W $\frac{1}{2}$; Lots 1, 2, 3 & 4

TOWNSHIP 25 NORTH, RANGE 56 EAST, M.D.B.&M.

Section 5: SW $\frac{1}{4}$ SW $\frac{1}{4}$

TOWNSHIP 26 NORTH, RANGE 56 EAST, M.D.B.&M.

Section 28: S $\frac{1}{2}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$; Lots 5 & 6
Section 29: SE $\frac{1}{4}$ SW $\frac{1}{4}$; SW $\frac{1}{4}$ SE $\frac{1}{4}$; S $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$
Section 32: N $\frac{1}{2}$ NE $\frac{1}{4}$; NE $\frac{1}{4}$ NW $\frac{1}{4}$
Section 33: N $\frac{1}{2}$ NW $\frac{1}{4}$; SW $\frac{1}{4}$; Lots 1 & 2

EXCEPTING THEREFROM an undivided one-half interest in and to all oil, gas and mineral rights, as reserved in deed from Katherine Frandsen and the Estate of Frank M. Frandsen, Deceased, recorded in Book 169, Page 352, Real Estate Records, White Pine County, Nevada.

TOWNSHIP 26 NORTH, RANGE 55 EAST, M.D.B.&M.

Section 22: W $\frac{1}{2}$ NE $\frac{1}{4}$; SE $\frac{1}{4}$ NW $\frac{1}{4}$; E $\frac{1}{2}$ SW $\frac{1}{4}$
Section 27: E $\frac{1}{2}$ NW $\frac{1}{4}$; NE $\frac{1}{4}$ SW $\frac{1}{4}$; NW $\frac{1}{4}$ SE $\frac{1}{4}$

EXCEPTING THEREFROM an undivided one-half interest in and to all oil, gas and mineral rights, as reserved in deed from Katherine Frandsen and the Estate of Frank M. Frandsen, Deceased, recorded in Book 169, Page 352, Real Estate Records, White Pine County, Nevada.

TOWNSHIP 17 NORTH, RANGE 54 EAST, M.D.B.&M.

Section 1: NW $\frac{1}{4}$ SW $\frac{1}{4}$

TOWNSHIP 19 NORTH, RANGE 55 EAST, M.D.B.&M.

Section 15: W $\frac{1}{2}$
Section 22: All

HARPER FARMS

Situate in the County of Elko, State of Nevada, as follows, to-wit:

TOWNSHIP 26 NORTH, RANGE 55 EAST, M.D.B.&M.

Section 15: SW $\frac{1}{4}$ NE $\frac{1}{4}$; SW $\frac{1}{4}$ SE $\frac{1}{4}$

TOWNSHIP 27 NORTH, RANGE 55 EAST, M.D.B.&M.

Section 35: SE $\frac{1}{4}$ NW $\frac{1}{4}$; NE $\frac{1}{4}$ SW $\frac{1}{4}$

EXCEPTING THEREFROM, an undivided one-half interest in and to all oil, gas and mineral rights conveyed by JEFF HUNT, et ux, to KATHERINE M. FRANSEN, et al, by Deed recorded May 29, 1952, in Book 168 of Official Records at page 37 and reserved in Deed executed by KATHERINE M. FRANSEN, et al, in Deed recorded May 24, 1952, in Book 168 of Real Estate Records at page 22, White Pine County, Nevada, and in Book 61 of Deeds at page 296, Elko County, Nevada records.

FILED
TOWNSHIP

Situate in the County of Nye, State of Nevada, as follows, to-wit:

TOWNSHIP 14 NORTH, RANGE 48 EAST, M.D.B.&M.

Section 23: $W\frac{1}{2}SE\frac{1}{4}$

TOWNSHIP 14 NORTH, RANGE 51 EAST, M.D.B.&M.

Section 10: $N\frac{1}{2}NE\frac{1}{4}$

Section 11: $N\frac{1}{2}NW\frac{1}{4}$

Section 24: $W\frac{1}{2}SW\frac{1}{4}$; $NE\frac{1}{4}SW\frac{1}{4}$; $NW\frac{1}{4}SE\frac{1}{4}$

TOWNSHIP 15 NORTH, RANGE 53 EAST, M.D.B.&M.

Section 23: $SW\frac{1}{2}NE\frac{1}{4}$

Section 28: $NE\frac{1}{2}NW\frac{1}{4}$

EXCEPTING from the $W\frac{1}{2}SE\frac{1}{4}$ of Section 23, Township 14 North, Range 48 East, M.D.B.&M., and the $SW\frac{1}{2}NE\frac{1}{4}$ of Section 23 and the $NE\frac{1}{2}NW\frac{1}{4}$ of Section 28, Township 15 North, Range 53 East, M.D.B.&M., an undivided $\frac{1}{6}$ of all minerals, oil, gas, and hydrocarbon substances, as granted to JOHN L. BROWN by Deed recorded February 20, 1954, in Book 56 of Deeds, page 70.

ALSO EXCEPTING from the $W\frac{1}{2}SE\frac{1}{4}$ of Section 23, Township 14 North, Range 48 East, M.D.B.&M., and the $SW\frac{1}{2}NE\frac{1}{4}$ of Section 23, and the $NE\frac{1}{2}NW\frac{1}{4}$ of Section 28; Township 15 North, Range 53 East, M.D.B.&M., an undivided $\frac{23}{3}$ interest in and to all oil, gas, hydrocarbon substances within said land, as granted to SAM RUDNICK by Deed recorded March 11, 1957; in Book 18 of Official Records at Page 190.

ALSO EXCEPTING from the $W\frac{1}{2}SE\frac{1}{4}$ of Section 23, Township 14 North, Range 48 East, M.D.B.&M., and the $SW\frac{1}{2}NE\frac{1}{4}$ of Section 23, and the $NE\frac{1}{2}NW\frac{1}{4}$ of Section 28 in Township 15 North, Range 53 East, M.D.B.&M., an undivided 40% interest in and to all mineral rights, including but not limited to 'crude oil,' petroleum, gas brea, asphaltum, or any kindred substance with and underlying as reserved in the deed executed by EUREKA LIVESTOCK COMPANY, recorded June 2, 1958, in Book 25 of Official Records, page 482.

TOWNSHIP 7 NORTH, RANGE 50 EAST, M.D.B.&M.

✓ Section 3: Lots 3 and 4 ($N\frac{1}{2}NW\frac{1}{4}$)

✓ Section 4: Lot 1 ($NE\frac{1}{2}NE\frac{1}{4}$)

TOWNSHIP 8 NORTH, RANGE 50 EAST, M.D.B.&M.

✓ Section 13: $NW\frac{1}{4}NE\frac{1}{4}$; $NE\frac{1}{2}NW\frac{1}{4}$

✓ Section 33: $NE\frac{1}{4}$; $N\frac{1}{2}NW\frac{1}{4}$

✓ Section 34: $W\frac{1}{2}NW\frac{1}{4}$; $SE\frac{1}{4}NW\frac{1}{4}$; $N\frac{1}{2}SW\frac{1}{4}$; $SE\frac{1}{4}SW\frac{1}{4}$; Lot 1

TOWNSHIP 6 NORTH, RANGE 51 EAST, M.D.B.&M.

- ✓ Section 5: SW $\frac{1}{4}$ NE $\frac{1}{4}$
- ✓ Section 9: SW $\frac{1}{4}$ SW $\frac{1}{4}$
- ✓ Section 16: NW $\frac{1}{4}$ NW $\frac{1}{4}$

TOWNSHIP 8 NORTH, RANGE 55 EAST, M.D.B.&M.

- ✓ Section 14: S $\frac{1}{4}$ NW $\frac{1}{4}$; NW $\frac{1}{4}$ NW $\frac{1}{4}$; N $\frac{1}{4}$ SW $\frac{1}{4}$
- ✓ Section 15: SW $\frac{1}{4}$ NE $\frac{1}{4}$; SE $\frac{1}{4}$; NE $\frac{1}{4}$ SW $\frac{1}{4}$

EXCEPTING THEREFROM that portion of said land conveyed to the State of Nevada for highway and incidental purposes by deed recorded June 18, 1936, in Book 45, Page 356 of Deeds, Nye County, Nevada records.

FURTHER EXCEPTING THEREFROM that portion of said land conveyed to the State of Nevada for highway and incidental purposes by Deed recorded November 9, 1940, in Book 48 of Deeds, Page 53, under File No. 12440, Nye County, Nevada, records.

FURTHER EXCEPTING an undivided $3\frac{1}{8}\%$ interest in the mineral rights in and to the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 12, and the E $\frac{1}{2}$ SE $\frac{1}{4}$ and the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of said Section 15, Township 8 North, Range 55 East, M.D.B.&M., as granted to J. P. Johansen and Lola H. Johansen, Husband and Wife, by deed dated August 25, 1958, recorded in Book 35, Page 481, Official Records of Nye County, Nevada.

TOWNSHIP 10 NORTH, RANGE 51 EAST, M.D.B.&M.

- ✓ Section 36: N $\frac{1}{2}$ NW $\frac{1}{4}$; SE $\frac{1}{2}$ NW $\frac{1}{4}$

TOWNSHIP 8 NORTH, RANGE 55 EAST, M.D.B.&M.

- ✓ Section 15: SE $\frac{1}{4}$ NW $\frac{1}{4}$

EXCEPTING THEREFROM that portion described as follows:

Beginning at a point in the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of said Section 15, from which the North quarter corner of said Section 15 bears North $10^{\circ} 28' 10''$ East, a distance of 1600.76 feet; thence South $38^{\circ} 57'$ East, a distance of 464.46 feet; thence South $0^{\circ} 02'$ East, a distance of 239.98 feet; thence South $51^{\circ} 63'$ West, a distance of 390.20 feet; thence North $38^{\circ} 57'$ West, a distance of 651.18 feet; thence North $51^{\circ} 03'$ East, a distance of 540.95 feet to the Point of Beginning.

EXCEPTING THEREFROM that portion of said land conveyed to the State of Nevada for highway and incidental purposes by deed recorded June 18, 1936 in Book 45 Page 356, Deed Records, Nye County, Nevada.

FURTHER EXCEPTING THEREFROM that portion of said land conveyed to the State of Nevada for highway and incidental purposes by deed recorded November 9, 1940 in Book 48 of Deeds, page 53, under File No. 12440, Nye County, Nevada records.

TOWNSHIP 10 NORTH, RANGE 51 EAST, M.D.B.&M.

✓ Section 25: SE $\frac{1}{4}$ SW $\frac{1}{4}$

TOWNSHIP 11 NORTH, RANGE 52 EAST, M.D.B.&M.

✓ Section 19: E $\frac{1}{4}$ NE $\frac{1}{4}$; SW $\frac{1}{4}$ NE $\frac{1}{4}$; SE $\frac{1}{4}$ NW $\frac{1}{4}$

Situate in the County of Eureka, State of Nevada, as follows, to-wit:

TOWNSHIP 16 NORTH, RANGE 53 EAST, M.D.B.&M.

Section 7: SE $\frac{1}{4}$ NE $\frac{1}{4}$

Section 8: E $\frac{1}{4}$; NW $\frac{1}{4}$ NW $\frac{1}{4}$; S $\frac{1}{4}$ NW $\frac{1}{4}$;
N $\frac{1}{4}$ SW $\frac{1}{4}$; SE $\frac{1}{4}$ SW $\frac{1}{4}$

Section 9: NE $\frac{1}{4}$ NE $\frac{1}{4}$; S $\frac{1}{4}$ NE $\frac{1}{4}$; NW $\frac{1}{4}$ NW $\frac{1}{4}$;
S $\frac{1}{4}$ NW $\frac{1}{4}$; S $\frac{1}{4}$

Section 10: N $\frac{1}{4}$; N $\frac{1}{4}$ S $\frac{1}{4}$; SW $\frac{1}{4}$ SE $\frac{1}{4}$; S $\frac{1}{4}$ SW $\frac{1}{4}$

Section 11: S $\frac{1}{4}$ NE $\frac{1}{4}$; NW $\frac{1}{4}$; N $\frac{1}{4}$ SW $\frac{1}{4}$

Section 12: N $\frac{1}{4}$

TOWNSHIP 16 NORTH, RANGE 54 EAST, M.D.B.&M.

Section 6: S $\frac{1}{4}$ SW $\frac{1}{4}$

Section 7: Lots 1 & 2 of the NW $\frac{1}{4}$

TOWNSHIP 17 NORTH, RANGE 49 EAST, M.D.B.&M.

Section 24: Homestead Entry No. 174, comprising Tracts "A" and "B"; embracing a portion of, approximately Section 24 in Township 17 North of Range 49 East of the Mount Diablo Meridian, Nevada, more particularly bounded and described as follows:

Beginning for the description of Tract "A" at corner No. 1, identical with the Southwest corner to Section 19 in Township 17 North, Range 50 East of the Mount Diablo Meridian; thence, North 87° West 43.66 chains to Corner No. 2; thence, North 2°40' West 3.44 chains to Corner No. 3; thence North 73°35' East 22.53 chains to Corner No. 4; thence, South 63°30' East 10.92 chains to corner No. 5; thence, South 84°24' East 12.41 chains to Corner No. 6; thence, South 0°4' East 5.98 chains

to Corner No. 1, the place of beginning.

Beginning for the description of Tract "B" at Corner No. 7, from which Corner No. 2 of said Tract "A" bears South 87° East 50 links distant; thence North 87° West 27.75 chains to Corner No. 8; thence North 39°12' East 12.76 chains to Corner No. 9; thence North 39°29' West 16.96 chains to Corner No. 10; thence North 47° East 4.48 chains to Corner No. 11; thence South 33°44' East 4.99 chains to Corner No. 12; thence South 48°30' East 30.75 chains to Corner No. 13; thence North 73°35' East 1.24 chains to Corner No. 14; thence South 2°40' East 3.28 chains to Corner No. 7; the place of beginning, containing in the aggregate 61.83 acres, according to the Official Plat of the Survey of said land, returned to the General Land Office by the Surveyor-General.

TOWNSHIP 17 NORTH, RANGE 50 EAST, M.D.B.&M.

Sections 7 & 8: Described more particularly as follows:

Beginning at Corner No. 1 from which the quarter corner to Sections 8 and 9 in Township 17 North of Range 50 East of the Mount Diablo Meridian bears North 82°35' East 57.53 chains distant; thence South 73°52' West 17.72 chains to Corner No. 2; thence North 76°18' West 27.40 chains to Corner No. 3; thence South 66°29' West 3.30 chains to Corner No. 4; thence North 76°43' West 30.88 chains to Corner No. 5; thence North 56°9' East 5.40 chains to Corner No. 6; thence South 79°52' East 55.00 chains to Corner No. 7; thence North 76°59' East 15.21 chains to Corner No. 8; thence South 37°41' East 5.41 chains to Corner No. 1, the place of beginning; containing 35.65 acres, according to the official plat of the Survey of said land, returned to the General Land Office by the Surveyor-General.

Section 19: Lot 4; SE $\frac{1}{4}$ SW $\frac{1}{4}$
Section 29: N $\frac{1}{4}$ NW $\frac{1}{4}$; W $\frac{1}{4}$ NE $\frac{1}{4}$
Section 30: NE $\frac{1}{4}$ NW $\frac{1}{4}$; N $\frac{1}{4}$ NE $\frac{1}{4}$; E $\frac{1}{4}$ SW $\frac{1}{4}$; N $\frac{1}{4}$ SE $\frac{1}{4}$
Section 31: W $\frac{1}{4}$ NE $\frac{1}{4}$; NE $\frac{1}{4}$ NE $\frac{1}{4}$

TOWNSHIP 18 NORTH, RANGE 49 EAST, M.D.B.&M.

Section 25: N $\frac{1}{2}$ NE $\frac{1}{4}$

TOWNSHIP 18 NORTH, RANGE 50 EAST, M.D.B.&M.

Section 28: SW $\frac{1}{2}$ NE $\frac{1}{4}$; NW $\frac{1}{2}$ SE $\frac{1}{4}$
Section 30: NW $\frac{1}{2}$ NE $\frac{1}{4}$; NE $\frac{1}{2}$ NW $\frac{1}{4}$

TOWNSHIP 18 NORTH, RANGE 51 EAST, M.D.B.&M.

Section 18: W $\frac{1}{2}$ NE $\frac{1}{4}$; E $\frac{1}{2}$ NW $\frac{1}{4}$; W $\frac{1}{2}$ SE $\frac{1}{4}$; SW $\frac{1}{2}$
Section 19: NW $\frac{1}{2}$ NE $\frac{1}{4}$; W $\frac{1}{2}$; W $\frac{1}{2}$ SE $\frac{1}{4}$
Section 30: N $\frac{1}{2}$; N $\frac{1}{2}$ S $\frac{1}{4}$

TOWNSHIP 18 NORTH, RANGE 54 EAST, M.D.B.&M.

Section 18: SE $\frac{1}{2}$ NW $\frac{1}{4}$; NE $\frac{1}{2}$ SW $\frac{1}{4}$; NW $\frac{1}{2}$ SE $\frac{1}{4}$; S $\frac{1}{2}$ SE $\frac{1}{4}$; Lot 2
Section 19: NE $\frac{1}{2}$; SE $\frac{1}{2}$ NW $\frac{1}{4}$; N $\frac{1}{2}$ SE $\frac{1}{4}$
Section 20: W $\frac{1}{2}$ NW $\frac{1}{4}$; N $\frac{1}{2}$ SW $\frac{1}{4}$; SE $\frac{1}{2}$ NW $\frac{1}{4}$; Lot 1

EXCEPTING from all of those parcels shown in Township 18 North, Range 54 East, M.D.B.&M., except the NE $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 19, the SE $\frac{1}{2}$ NW $\frac{1}{4}$, Lot 1, NW $\frac{1}{2}$ NW $\frac{1}{4}$ and the NE $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 20, all the coal and other minerals as reserved in Patent executed by the UNITED STATES OF AMERICA recorded August 17, 1932, in Book 21 of Deeds at page 89, Eureka County, Nevada records.

TOWNSHIP 19 NORTH, RANGE 50 EAST, M.D.B.&M.

Section 16: W $\frac{1}{2}$ NE $\frac{1}{4}$; E $\frac{1}{2}$ NW $\frac{1}{4}$; SW $\frac{1}{2}$ NW $\frac{1}{4}$; NW $\frac{1}{2}$ SW $\frac{1}{4}$
Section 17: SE $\frac{1}{2}$ NE $\frac{1}{4}$; NE $\frac{1}{2}$ SE $\frac{1}{4}$

TOWNSHIP 18 NORTH, RANGE 48 EAST, M.D.B.&M.

Section 14: E $\frac{1}{2}$ SW $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$; W $\frac{1}{2}$ SE $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$;
SE $\frac{1}{2}$ SE $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$; SW $\frac{1}{2}$ SE $\frac{1}{2}$ SW $\frac{1}{4}$;
SW $\frac{1}{2}$ SE $\frac{1}{2}$ SE $\frac{1}{2}$ SW $\frac{1}{4}$; S $\frac{1}{2}$ NW $\frac{1}{2}$ SE $\frac{1}{2}$ SW $\frac{1}{4}$;
NW $\frac{1}{2}$ NW $\frac{1}{2}$ SE $\frac{1}{2}$ SW $\frac{1}{4}$; SE $\frac{1}{2}$ SE $\frac{1}{2}$ SW $\frac{1}{2}$ SW $\frac{1}{4}$;
N $\frac{1}{2}$ SE $\frac{1}{2}$ SW $\frac{1}{2}$ SW $\frac{1}{4}$; NE $\frac{1}{2}$ SW $\frac{1}{2}$ SW $\frac{1}{4}$;
NE $\frac{1}{2}$ NW $\frac{1}{2}$ SW $\frac{1}{2}$ SW $\frac{1}{4}$

Section 23: N $\frac{1}{2}$ SE $\frac{1}{2}$ NW $\frac{1}{4}$; NE $\frac{1}{2}$ SW $\frac{1}{2}$ NE $\frac{1}{2}$ NW $\frac{1}{4}$;
NW $\frac{1}{2}$ SE $\frac{1}{2}$ NE $\frac{1}{2}$ NW $\frac{1}{4}$;

AND a parcel of land described as :

*Sections 27 and 34:
Beginning at Corner No. 1, from which U. S. Location Monument No. 253 bears South 26°42' East 1.55 chains distant, thence North 26°42' West 69.97 chains to Corner No. 2; thence North 9°13' West 17.37 chains to Corner No. 3; thence North 87°44' East 7.72 chains to Corner No. 4; thence South 22°51' East 86.81 chains to Corner No. 5; thence West 7.36 chains to Corner No. 1, the place of beginning, containing 78.92 acres, and being the same parcel conveyed by the UNITED STATES OF AMERICA to GEORGE WILLIAMS by Land Patent dated May 19, 1916 and recorded in Book 18 of Deeds at page 195, Eureka County, Nevada, records.

TOWNSHIP 18 NORTH, RANGE 49 EAST, M.D.B.&M.

Section 5: NW $\frac{1}{4}$ SW $\frac{1}{4}$; SW $\frac{1}{4}$ SW $\frac{1}{4}$
Section 6: NE $\frac{1}{4}$ SE $\frac{1}{4}$; SE $\frac{1}{4}$ SE $\frac{1}{4}$
Section 8: NW $\frac{1}{4}$ NW $\frac{1}{4}$; S $\frac{1}{2}$ NW $\frac{1}{4}$; NE $\frac{1}{4}$ SW $\frac{1}{4}$

TOWNSHIP 19 NORTH, RANGE 49 EAST, M.D.B.&M.

Section 5: W $\frac{1}{2}$ E $\frac{1}{2}$; E $\frac{1}{2}$ W $\frac{1}{2}$; W $\frac{1}{2}$ SW $\frac{1}{4}$; SW $\frac{1}{4}$ NW $\frac{1}{4}$
Section 6: SE $\frac{1}{4}$; SE $\frac{1}{4}$ NE $\frac{1}{4}$

EXCEPTING THEREFROM all coal and other valuable minerals as reserved in Patent executed by UNITED STATES OF AMERICA recorded July 6, 1950, in Book 24 of Deeds at page 79, Eureka County, Nevada records.

Section 18: NW $\frac{1}{4}$ NE $\frac{1}{4}$; NE $\frac{1}{4}$ SW $\frac{1}{4}$; SE $\frac{1}{4}$ NW $\frac{1}{4}$; SW $\frac{1}{4}$ SE $\frac{1}{4}$
Section 19: E $\frac{1}{2}$ SE $\frac{1}{4}$; NW $\frac{1}{4}$ SE $\frac{1}{4}$; NE $\frac{1}{4}$

EXCEPTING from all of the subject property in Section 18 and the N $\frac{1}{2}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$ and NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 19, all the oil and gas as reserved in Patent executed by UNITED STATES OF AMERICA recorded October 5, 1966, in Book 12 of Official Records at page 209, Eureka County, Nevada.

Section 20: W $\frac{1}{2}$ SW $\frac{1}{4}$; SW $\frac{1}{4}$ NW $\frac{1}{4}$

EXCEPTING from the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 19 and SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 20 all minerals as reserved in Patent executed by UNITED STATES OF AMERICA recorded January 2, 1969, in Book 26 of Official Records at page 534, Eureka County, Nevada.

Section 29: SW $\frac{1}{4}$ NW $\frac{1}{4}$; NW $\frac{1}{4}$ SW $\frac{1}{4}$; SW $\frac{1}{4}$ SW $\frac{1}{4}$
Section 30: E $\frac{1}{2}$ NE $\frac{1}{4}$; NE $\frac{1}{4}$ SE $\frac{1}{4}$

EXCEPTING from all of the subject property in Sections 29 and 30 all of the oil and gas as reserved in Patent executed by UNITED STATES OF AMERICA recorded February 21, 1969, in Book 28 of Official Records at page 12, Eureka County, Nevada.

Situate in the County of Lander, State of Nevada, as follows, to-wit:

TOWNSHIP 18 NORTH, RANGE 48 EAST, M.D.B.&M.

Section 7: SE $\frac{1}{4}$ NW $\frac{1}{4}$; SW $\frac{1}{4}$ NE $\frac{1}{4}$; W $\frac{1}{2}$ SE $\frac{1}{4}$
Section 18: NW $\frac{1}{4}$ NE $\frac{1}{4}$

EXCEPTING an undivided one-half of all oil, petroleum, gas and minerals as reserved in Deed executed by CONLAN LAND & LIVESTOCK, INC., recorded November 7, 1962; in Book 26 of Deeds at page 300, Eureka County, Nevada, and recorded November 13, 1962 in Book 69 of Deeds at page 250, Lander County, Nevada.

TOWNSHIP 29 NORTH, RANGE 43 EAST, M.D.B.&M.

Section 35: N $\frac{1}{2}$ NE $\frac{1}{4}$; SW $\frac{1}{4}$ NE $\frac{1}{4}$

TOWNSHIP 30 NORTH, RANGE 43 EAST, M.D.B.&M.

Section 36: SE $\frac{1}{4}$

Excepting and reserving, also, to the United States, pursuant to the provisions of the Act of August 1, 1946 (60 Stat 755), all uranium, thorium, or any other material which is or may be determined to be peculiarly essential to the production of fissionable material, whether or not of commercial value, together with the right of the United States through its authorized agents or representatives at any time to enter upon the land and prospect for, mine, remove the same.

TOGETHER WITH the right to use water from the Cold Creek Spring stream system allotted to Jeff Hunt and F.M. Frandsen and their successors in interest for the irrigation of 2163.2 acres of the above described land, as more fully described in the Matter of Determination of the Relative Rights in and to the Waters of Cold Creek Spring and its tributaries in White Pine County, State of Nevada.

ALSO TOGETHER WITH the right to use water from Willow Creek and Holum Spring as allotted to V. Juaristi for the irrigation of 118.43 acres of the above described land as more fully described under the adjudication proceedings entitled "Humboldt River Adjudication Bartlett Decree", pages 222 and 223, Sixth Judicial Court District, State of Nevada, Humboldt County, Action number 2804.

ALSO TOGETHER WITH the right to use water for irrigation and stockwater as more fully described under Proof of Appropriation number 101255, Certificate number 1454 and Certificate number 1468 as issued by the State Engineer.

Federal Range Lands and Improvements Thereon

In addition to the lands described above Trustor holds Class 1 permit from the United States under the Taylor Grazing Act on 663,000 acres of Federal range. And Grazing Preference Permits in the Toiyabe and Humboldt National Forests.

It is the intent of the trustor and the Company that said ranch unit shall constitute the security for the note described below and in order to include said Federal range and the improvements thereon as a part of the security, Trustor hereby agrees with the Company, with respect to said Federal range and the improvements thereon, as follows:

- (a) The trustor shall keep all such permits in full force and effect by paying all sums due thereunder, complying with all the terms and conditions thereof and laws, rules and regulations applicable thereto, and apply for all renewals and extensions thereof until the note secured hereby is paid. In default thereof, the Company may at its option, declare the entire balance of the Deed of Trust debt immediately due and payable and foreclose this Deed of Trust and any collateral assignments of leases or may remedy any such default and pay any sums due on account of said permits and all such sums shall immediately be due and payable and shall, with interest at the rate of Twelve (12) percentum per annum from date of payment until repaid by trustor, be secured hereby.
- (b) Upon default in the payment of any part of the indebtedness secured hereby, whether principal or interest, or if default be made in any conditions, stipulation or covenant in this Deed of Trust, then the Company shall have the same rights with respect to such Federal range and the authorized improvements thereon as are provided herein with respect to the land described above. Upon foreclosure and sale of the lands described above, title to the improvements on the Federal range, together with trustor's right to be paid the reasonable value thereof shall pass free of all encumbrances to the purchaser at such sale, and the Company is hereby authorized to then execute, in behalf of trustor, a bill of sale for such improvements and a waiver of trustor's right to be paid the reasonable value thereof.

Addendum to Deed of Trust

WAIVER by NON-OBLIGATED PERSONS.

Notwithstanding any other provision of this Deed of Trust, any person who executes this Deed of Trust, but not the note secured hereby, or who executes the note with a disclaimer of personal liability, shall have no personal liability on the note or for any deficiency judgment which may be obtained upon foreclosure of this Deed of Trust. Such persons jointly and severally waive presentment, demand, protest and all notices and agree that Beneficiary, without notice to them or their consent, and upon such terms as Beneficiary may deem advisable, and without affecting in any way Beneficiary's rights hereunder, may:

- a. Extend, release, surrender, exchange, compromise, discharge or modify any right or obligation secured by or provided by this Deed of Trust or any other instrument securing this loan, or
- b. Take any other action which Beneficiary may deem reasonably appropriate to protect its security interest in the Trust Property.

WATER PERMIT LANGUAGE.

In addition to the foregoing said mortgagor does hereby covenant and agree with the said mortgagee that in the event of any default on the part of said mortgagor to perfect any existing or future water right or permit, appurtenant to the aforescribed real property, into a complete appropriation, then and in that event said mortgagee is hereby authorized to prosecute and perfect such right or permit so that the same may ripen into a complete appropriation.

In the event said mortgagor fails to proceed with due diligence in perfecting any existing or future water right or permit into a complete appropriation as heretofore mentioned, or, if in the opinion of said mortgagee, said mortgagor is not proceeding with due diligence in perfecting said water right or permit into a complete appropriation, then and in that event the entire debt secured hereby shall at the election of the said mortgagee and without notice, become immediately due and payable and this mortgage may be foreclosed, or said mortgagee shall have the right to proceed in perfecting any water right or permit into a complete appropriation as set out above, or both.

Mortgagor further covenants and agrees to pay mortgagee, immediately and without demand, all sums which it shall pay or expend pursuant to the provisions stated above, including cost of any title evidence and reasonable attorney's fees, together with interest thereon from date of expenditure until paid at the rate of twelve percent (12%) per annum, and if not so paid by mortgagee, all such sums shall be added to the debt and secured hereby. Mortgagor shall have the obligations set forth as stated above, notwithstanding the fact that the existing water rights and permit have been assigned to the Mortgagee.

EXHIBIT "B"

All that certain real property situate in the County of White Pine, State of Nevada, more particularly described as follows:

TOWNSHIP 22 NORTH, RANGE 55 EAST, M.D.B.&M.

Section 1: S 1/2 of S 1/2; SW 1/4 of NW 1/4; NW 1/4 of SW 1/4
Section 2: SE 1/4; SE 1/4 of NE 1/4; E 1/2 of SW 1/4
Section 11: E 1/2; SW 1/4; E 1/2 of NW 1/4
Section 12: W 1/2; N 1/2 of NE 1/4
Section 14: N 1/2 of N 1/2

TOWNSHIP 21 NORTH, RANGE 56 EAST, M.D.B.&M.

Section 1: SE 1/4 of NE 1/4
Section 5: NE 1/4 of NW 1/4 or Lot 3
Section 8: SE 1/4 of NE 1/4; SW 1/4 of NE 1/4; N 1/2 of SE 1/4;
SE 1/4 of SE 1/4
Section 9: NW 1/4 of SW 1/4; S 1/2 of NW 1/4

TOWNSHIP 22 NORTH, RANGE 56 EAST, M.D.B.&M.

Section 1: SE 1/4 of NE 1/4 and Lots 1, 2, 3, and 4
Section 2: N 1/2 of S 1/2 of NW 1/4 and Lots 1, 2, 3 and 4;
SW 1/4 of SW 1/4
Section 3: N 1/2 of S 1/2 of N 1/2; Lots 1, 2, 3 and 4
Section 4: N 1/2
Section 5: NE 1/4
Section 7: Lots 2 and 3
Section 15: NW 1/4 of NW 1/4
Section 16: NE 1/4 of NE 1/4
Section 21: SE 1/4 of NW 1/4; SW 1/4 of SW 1/4
Section 23: NE 1/4 of SE 1/4; NW 1/4 of NE 1/4

TOWNSHIP 23 NORTH, RANGE 56 EAST, M.D.B.&M.

Section 33: NE 1/4 of SE 1/4; S 1/2 of SE 1/4
Section 34: S 1/2; S 1/2 of N 1/2
Section 35: N 1/2 of NE 1/4; S 1/2; S 1/2 of N 1/2
Section 36: All (Except NE 1/4 of NE 1/4)

TOWNSHIP 21 NORTH, RANGE 57 EAST, M.D.B.&M.

Section 6: N 1/2 of NW 1/4 or Lots 3 and 4
Section 8: NE 1/4 of NW 1/4

TOWNSHIP 22 NORTH, RANGE 57 EAST, M.D.B.&M.

Section 30: NE 1/4 of SE 1/4; SE 1/4 of NW 1/4
Section 33: SE 1/4 of NE 1/4

DESCRIPTION CONTINUED . . .

DESCRIPTION CONTINUED . . .

TOWNSHIP 25 NORTH, RANGE 57 EAST, M.D.B.&M.

Section 32: NW 1/4 of SW 1/4; SW 1/4 of NW 1/4

TOWNSHIP 23 NORTH, RANGE 58 EAST, M.D.B.&M.

Section 25: SW 1/4 of SW 1/4

Section 36: W 1/2 of NW 1/4; NW 1/4 of SW 1/4

EXCEPTING FROM Sections 25 and 26, Township 23 North, Range 58 East, M.D.B.&M., an undivided one-half (1/2) interest in all coal, oil, gas and petroleum products of every name and nature in and under said land reserved by Mildred D. McBride, in Deeds recorded December 5, 1955, in Book 193, Pages 243 and 247, Real Estate Records, White Pine County, Nevada.

FURTHER EXCEPTING FROM Sections 15, 16 and 21, Township 22 North, Range 56 East, M.D.B.&M., all minerals of every kind and nature including oil and gas, in and under said land as reserved by George A. Moore and Mildred M. Moore, recorded January 2, 1959, in Book 223, Page 253, Real Estate Records, White Pine County, Nevada.

FURTHER EXCEPTING FROM Sections 25 and 26, Township 23 North, Range 58 East, M.D.B.&M., all minerals of every kind and nature including oil and gas, in and under said land, reserved by Pete Elia, Leonie Elia, Genevieve Church Bryant, formerly Genevieve Church and Charles A. Bryant, in Deed recorded May 12, 1969, in Book 307, Page 315, Real Estate Records, White Pine County, Nevada.

RECORDED AT REQUEST OF
Washoe Title Guaranty Co.
BOOK 108 PAGE 186

83 FEB 16 P 2:00

OFFICIAL RECORDS
EUREKA COUNTY, NEVADA
M.N. REBALEATI, RECORDER
FILE NO. 86382
FEE \$ 21.00

BOOK 108 PAGE 203