

132352

RECORDING REQUESTED BY, AND
WHEN RECORDED, MAIL TO:

Sanwa Bank California
Sacramento Agribusiness Office
601 "J" Street
Sacramento, CA 95814

Attn: Thomas D. Bolin
Vice President and Manager

AGREEMENT TO RENEW PROMISSORY
NOTES AND MODIFY DEED OF TRUST

THIS AGREEMENT TO RENEW PROMISSORY NOTES AND MODIFY DEED OF TRUST ("Eighth Modification Agreement") is entered into as of this 30 day of April, 1990, by and between Sanwa Bank California, successor-in-interest to Lloyds Bank California ("Bank"), and Daniel H. Russell (also known as Dan Russell) and Roberta A. Russell (collectively, "Russell"). This Eighth Modification Agreement is entered into with respect to the following:

RECITALS

A. On or about April 1, 1986, Russell executed and delivered to Bank the following promissory notes in the original principal sums of: (1) \$3,506,500, (2) \$6,950,000 and (3) \$100,000, respectively, for an aggregate amount of \$10,556,500 (collectively, "Notes"). The Notes and all renewals, extensions and modifications thereof, along with any additional advances from Bank to Russell were secured by various deeds of trust ("Deeds of Trust"). All of the loans secured by the Deeds of Trust are collectively referred to herein as the "Loans."

B. As of December 31, 1989, the aggregate due Bank on the Loans was the principal sum of \$17,461,752.04, without offset, setoff, defense claim or demand by Russell.

C. One of the Deeds of Trust is the deed of trust, dated April 1, 1986, by and between Russell, as Trustor, First Bancorp, a California corporation, as Trustee, and Lloyds Bank California, a California corporation, as Beneficiary ("Deed of Trust"), which encumbers real property commonly known as Sadler Ranch and described in Exhibit "A," attached hereto and incorporated herein by this reference, ("Property"). The Deed of Trust was recorded in Book 143 at Page 265 in the Office of the County Recorder of the County of Eureka, State of Nevada on April 7, 1986.

D. Bank and Russell have executed seven modifications of the Deed of Trust prior to the date hereof, (collectively, "Mesne Modification Agreements"), providing in part for (i) modifications in the maturity dates and payments under the Notes; (ii) Russell's assumption of additional indebtedness; and (iii) the execution of additional deeds of trust securing the indebtedness. The Mesne Modification Agreements are described in the AGREEMENT TO FURTHER EXTEND PROMISSORY NOTES, SECURE ADDITIONAL INDEBTEDNESS, AND MODIFY DEED OF TRUST, dated August 23, 1989 ("Seventh Modification Agreement"), attached hereto as Exhibit "B," and in Recitals E through J of the Seventh Modification Agreement. All terms used herein are defined in the Seventh Modification Agreement, unless specifically defined herein.

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E. Bank and Russell have executed an AMENDED AND RESTATED CREDIT AGREEMENT (the "Credit Agreement"), dated August 23, 1989 which was amended by a FIRST ADDENDUM TO AMENDED AND RESTATED CREDIT AGREEMENT ("Addendum"); of even date, and attached hereto as Exhibit "C." The Addendum referred to certain omitted parcels from the Credit Agreement which were to be acquired by Russell and which were also to be encumbered by the Deed of Trust when acquired.

F. Bank and Russell have executed a SECOND ADDENDUM TO AMENDED AND RESTATED CREDIT AGREEMENT ("Second Addendum"), concurrently herewith, providing in part for (i) a renewal of the Loans; (ii) a consolidation of the Loans into two new promissory notes (nominally referred to as the "Livestock Note" and the "Real Estate Note," and, collectively as the "New Notes"); and (iii) a modification of the maturity date and payment terms of the Loans pursuant to the New Notes.

G. Bank and Russell desire to modify the Deed of Trust to secure, in addition to the indebtedness and other obligations presently secured thereby, the indebtedness and other obligations of Russell to Bank under the Second Addendum and the New Notes.

NOW, THEREFORE, in consideration of the foregoing, the Loans, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Bank and Russell agree as follows:

1. The Deed of Trust is hereby amended to secure, in addition to all other indebtedness and obligations now or hereafter secured thereby, in such order of priority as Bank in its absolute discretion may determine, the due, prompt and complete payment, observance, performance and discharge of each and every condition, obligation, covenant and agreement set forth in the New Notes and the Second Addendum, and all modifications, amendments, extensions, renewals or replacements thereof, including without limitation, the due, prompt and complete payment of the Indebtedness, as defined in the Second Addendum, and all interest thereon.

2. Except as expressly provided herein and subject to the Subordination Agreement, dated August 25, 1988, by and between Russell, as Owner, and Metropolitan Life Insurance Co., a corporation, as Lender, attached hereto as Exhibit "D," the terms, conditions, first priority lien and charge of the Deed of Trust and the terms and conditions of all Mesne Modification Agreements, together with all amendments, extensions, renewals or replacements thereof, are hereby reaffirmed and ratified, and shall remain in full force and effect. The Deed of Trust, the Mesne Modification Agreements, the Credit Agreement, the First Addendum, the Second Addendum, the New Notes and the Recitals hereto are hereby incorporated by this reference and made a part hereof.

3. Russell represents, covenants and warrants that:

(1) For purposes of the Deed of Trust, "Hazardous Material" means and includes any hazardous, toxic or dangerous waste, substance or material defined as such in (or for purposes of) the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601, et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. § 1801, et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. § 6901, et seq.; California Health and Safety Codes §§ 25117 and 25316, any so-called "Superfund" or "Superlien" law, or any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing

liability or standards of conduct concerning any hazardous, toxic or dangerous waste, substance or material, as of now or at any time hereafter in effect.

(ii) Neither Russell nor, to the best knowledge of Russell, any other person or entity, has ever caused or permitted any Hazardous Material to be placed, held, located or disposed of on, under or at the Property or any part thereof and neither the Property nor any part thereof has ever been used (whether by Russell or, to the best knowledge of Russell, by any other person) as a production facility, dump site or storage site (whether permanent or temporary) for any Hazardous Material. To the best knowledge of Russell, after due and diligent inquiry, there exists no Hazardous Materials on or under the Property or any part thereof, and the Property is not in violation of any federal, state or local law, ordinance or regulation relating to Hazardous Materials or industrial hygiene.

(iii) Russell hereby agrees to indemnify Bank and hold the Bank harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses and claims of any and every kind whatsoever paid (including, without limitation, attorneys' fees, costs and expenses, including on appeal), incurred or suffered by, or asserted against Bank for, with respect to, or as a direct or indirect result of, the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission, discharging or release from, the Property of any Hazardous Material (including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under the Comprehensive Environmental Response, Compensation and Liability Act, any so-called "Superfund" or "Superlien" law, or any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to or imposing liability or standards of conduct concerning any Hazardous Material), regardless of whether or not caused by, or within the control of Russell. This indemnity and Russell's obligations hereunder shall not be deemed or construed as secured by the Deed of Trust, and shall stand alone and survive the foreclosure hereof and the exercise of all other rights and remedies provided hereunder. Bank shall have direct recourse against Russell and all assets of Russell with respect to Russell's obligations under this indemnity. As a material consideration to Bank, Russell with respect to its obligations under this indemnity hereby expressly waives any defense or benefit that may be available under California Code of Civil Procedure § 580 and its subdivisions, § 726, or comparable provisions of the laws of any other state or federal law.

(iv) If Russell receives any notice of (a) the happening of any event involving the use, spill, discharge or cleanup of any Hazardous Material (a "Hazardous Discharge") affecting Russell or the Property or (b) any complaint, order, citation or notice with regard to air emissions, water discharges, noise emissions or any other environmental, health or safety matter affecting Russell or the Property (an "Environmental Complaint") from any person or entity, including, without limitation, the United States Environmental Protection Agency ("EPA"), then Russell will give, within seven (7) business days, oral and written notice of same to Bank.

(v) Without limitation of Bank's rights under the Deed of Trust, Bank shall have the right, but not the obligation, to enter onto the Property or to take such other actions as it deems necessary or advisable to clean up, remove, resolve or minimize the impact of, or otherwise deal with, any such Hazardous Material or Environmental Complaint upon its receipt of any notice from any person or entity, including, without limitation, the EPA, asserting the existence of any Hazardous Material or an Environmental Complaint on or pertaining to the Property which, if true, could result in an order, suit or

other action against Russell affecting any part of the Property by any governmental agency or otherwise which, in the sole opinion of Bank, could jeopardize its security under the Deed of Trust. All reasonable costs and expenses incurred by Bank in the exercise of any such rights shall be secured by the Deed of Trust and shall be payable by Russell upon demand together with interest thereon at a rate equal to the highest interest rate payable under the documents and instruments evidencing the indebtedness.

IN WITNESS WHEREOF, the parties hereto have caused this document to be executed and delivered as of the date first hereinabove written.

BANK:

SANWA BANK CALIFORNIA

By: Thomas J. [Signature]

Its: Vice Pres. & Manager

RUSSELL:

Daniel H. Russell
DANIEL H. RUSSELL
(also known as Dan Russell)

Roberta A. Russell
ROBERTA A. RUSSELL

STATE OF CALIFORNIA)
) ss.
COUNTY OF Sacramento)

On this 30th day of April, 1990, before me, a Notary Public, in and for said County and State, duly commissioned and sworn, personally appeared Thomas D. Bolin, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument as a V. P. & Manager on behalf of the corporation therein named, and acknowledged to me that the corporation executed it.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year in this Certificate first above written.



Rita M. Suprenant
Notary Public
State of California

My Commission Expires: 8-23-91

STATE OF CALIFORNIA)
) ss.
COUNTY OF Sacramento)

On this 30th day of April, 1990, before me, a Notary Public, in and for said County and State, duly commissioned and sworn, personally appeared Daniel H. Russell and Roberta A. Russell, personally known to me (or 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.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year in this Certificate first above written.

Rita M. Suprenant
Notary Public
State of California

My Commission Expires: 8-23-91



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DEED OF TRUST RIDER

THIS DOCUMENT SECURES PROMISSORY NOTES THAT CONTAIN PROVISIONS FOR
A VARIABLE INTEREST RATE.

Dated: April 30, 1990

Daniel H. Russell
Daniel H. Russell

Roberta A. Russell
Roberta A. Russell

STATE OF CALIFORNIA)
COUNTY OF SACRAMENTO) SS.

On this 30th day of April, 1990, before me,
a Notary Public, in and for said County and State, duly
commissioned and sworn, personally appeared Daniel H. Russell and
Roberta A. Russell, personally known to me (or 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.

IN WITNESS WHEREOF, I have hereunto set my
hand and affixed my Official Seal the day and year in this
Certificate first above written.

Rita M. Supremant
Notary Public
State of California

My Commission Expires: 8-23-91



BOOK 210 PAGE 268

DESCRIPTION

Exhibit "A"

SADLER RANCH

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

PARCEL ONE:

TOWNSHIP 23 NORTH, RANGE 52 EAST, M D B & M

Section 36: An undivided 1/2 interest in and to Southwest 1/4 Northeast 1/4; Southeast 1/4 Northwest 1/4

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

Section 12: East 1/2 Northeast 1/4

Section 13: Northeast 1/4; Southwest 1/4; Northwest 1/4 Southeast 1/4; South 1/2 Southeast 1/4

Section 23: East 1/2 East 1/2; West 1/2 Southeast 1/4

Section 24: All

Section 25: North 1/2; North 1/2 South 1/2

Section 26: East 1/2 Northeast 1/4, West 1/2 Northeast 1/4, Northwest 1/4 Southeast 1/4; East 1/2 Southeast 1/4

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

Section 17: Southwest 1/4 Southwest 1/4

Section 18: Lots 3 & 4, East 1/2 Southwest 1/4; West 1/2 Southeast 1/4; Southeast 1/4 Southeast 1/4

Section 19: Lots 1, 2, 3 & 4, East 1/2 West 1/2; West 1/2 East 1/2

Section 29: Northwest 1/4; West 1/2 Southeast 1/4; North 1/2 Southwest 1/4; West 1/2 Northeast 1/4, Southeast 1/4 Southeast 1/4

Section 30: Lots 1 & 2, East 1/2 Northwest 1/4; Northeast 1/4; North 1/2 Southeast 1/4

Section 32: North 1/2 Northeast 1/4

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

Section 5: Southeast 1/4 Southeast 1/4

EXCEPTING THEREFROM an undivided 1/2 interest in and to all coal, oil, gas and other minerals of every kind and nature whatsoever existing upon, beneath the surface of, or within said lands as reserved in deed from REINHOLD SADLER, et al, recorded February 6, 1976 in Book 53, page 363 of Official Records, Eureka County, Nevada.

PARCEL TWO:

TOWNSHIP 24 NORTH, RANGE 52 EAST, M.D.B. 6 M.

Section 13: Southeast 1/4 Northwest 1/4

Section 25: South 1/2 Southwest 1/4

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

314285-104 J A
RECORDING REQUESTED BY, AND
WHEN RECORDED, MAIL TO:

Sanwa Bank California
Sacramento Agribusiness Office
601 "J" Street
Sacramento, CA 95814

Exhibit "B"

Attn: Thomas D. Bolin
Vice President and Manager

129615

AGREEMENT TO FURTHER EXTEND PROMISSORY
NOTES, SECURE ADDITIONAL INDEBTEDNESS,
AND MODIFY DEED OF TRUST

THIS AGREEMENT is entered into as of this 23rd day of AUGUST, 1989 by and between SANWA BANK CALIFORNIA, successor in interest to Lloyds Bank California ("Bank"), and DANIEL E. RUSSELL (also known as Dan Russell) and ROBERTA A. RUSSELL (collectively "Russell").

RECITALS

A. On or about April 1, 1986 Russell executed and delivered to Bank a promissory note in the original principal sum of \$3,506,500, a promissory note in the original principal sum of \$6,950,000, and a promissory note in the original principal sum of \$100,000 for an aggregate amount of \$10,556,500, which notes, along with any additional advances from Bank to Russell, were secured by a deed of trust of even date ("Deed of Trust").

B. The Deed of Trust encumbers certain real property described in the attached Exhibit "A" (the "Property") and was recorded on April 7, 1986, as Document No. 102268 in Book 143 at page 266 in the Office of the County Recorder of the County of Eureka, State of Nevada.

C. The Deed of Trust also secures additional advances from Bank to Russell and each of the foregoing notes and any extensions, renewals, or modifications thereof, were executed by Russell in favor of Bank and are secured by the Deed of Trust:

1. A Livestock Herd Note dated January 21, 1987 in the original principal sum of \$6,950,000, which note constituted a renewal of the April 1, 1986 note for such amount ("Herd Term Note"), under which note there is an outstanding principal balance, as of August 22, 1989, of \$3,000,000.00.

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2. A Livestock Operating Note dated January 21, 1987 in the original principal sum of \$6,059,800, which note constituted a renewal of various obligations of Russell to Bank including the note for \$3,506,500 dated April 1, 1986 ("3/87 NRLC Note"), under which note there is an outstanding principal balance, as of August 23, 1989, of \$3,683,767.22;

3. A July - October 1987 Livestock Operating Note dated September 9, 1987 in the original principal sum of \$2,238,600 ("10/87 NRLC Note"), under which note there is an outstanding principal balance, as of August 23, 1989, of \$1,472,392.70;

4. A May 1988 - August 1988 Livestock Operating Note dated August 9, 1988 in the original principal sum of \$2,836,600 ("9/88 NRLC Note"), under which note there is an outstanding principal balance, as of August 23, 1989, of \$1,717,197.57;

5. A September 1988 - April 1989 Livestock Operating Note dated January 23, 1989, in the original principal sum of \$4,879,400 ("5/89 NRLC Note"), under which note there is an outstanding principal balance, as of August 23, 1989, of \$4,035,184.55;

6. A Term Note dated January 23, 1989 in the original principal sum of \$1,500,000 ("Assign T/D Term Note") under which note there is an outstanding principal balance, as of August 23, 1989 of \$1,500,000.00;

7. A Term Loan Agreement, including note, dated April 28, 1989 in the original principal balance of \$223,000 ("Equipment Term Note"), under which note there is an outstanding principal, as of August 23, 1989 of \$223,000.00; and

8. A Promissory Note dated July 1, 1989 in the original principal amount of \$2,100,000 executed by Borrower and Bank ("Temporary Note"), which note will be paid off by a Promissory Note dated August 23, 1989 in the original principal amount of \$3,360,800 ("6/89 NRLC Note").

D. Assuming the pay off of the Temporary Note, the aggregate principal balance of the Herd Term Note, the 3/87 NRLC Note, the 10/87 NRLC Note, 9/88 NRLC Note, the 5/89 NRLC Note, the Assign T/D Term Note, the Equipment Term Note, and the 8/89 NRLC Note ("Notes") as of August 23, 1989, is \$18,992,342.04.

E. By a certain "Agreement to Extend and Modify Promissory Notes and Modify Deed of Trust" dated as of June 16, 1987 (the "First Modification Agreement"), among other things, the maturity dates of the Herd Term Note and the 3/87 NRLC Note were extended to June 30, 1987.

F. By a certain "Agreement to Further Extend Promissory Notes, Secure Additional Indebtedness, and Modify Deed of Trust" dated as of September 9, 1987 (the "Second Modification

Agreement"), among other things, the indebtedness under the 10/87 NRLC Note represented, constituted and was additional indebtedness under, pursuant to and secured by the Deed of Trust, and the maturity dates of the Herd Term Note and the 3/87 NRLC Note were extended to October 31, 1987.

G. By a certain Agreement to Further Extend Promissory Notes, Secure Additional Indebtedness and Modify Deed of Trust dated as of April 18, 1988 (the "Third Modification Agreement"), among other things, the maturity dates of the Herd Term Note, the 3/87 NRLC Note and the 10/87 NRLC Note were extended to May 1, 1988;

H. By a certain "Agreement to Further Extend Promissory Notes, Secure Additional Indebtedness and Modify Deed of Trust" dated as of August 9, 1988 (the "Fourth Modification Agreement"), among other things, the maturity dates of the Herd Term Note, the 3/87 NRLC Note and the 10/87 NRLC Note were extended to September 1, 1988;

I. By a certain "Agreement to Further Extend Promissory Notes, Secure Additional Indebtedness and Modify Deed of Trust" dated as of January 23, 1989 (the "Fifth Modification Agreement") among other things, the maturity dates of the Herd Term Note, the 3/87 NRLC Note, the 10/87 NRLC Note and the 9/88 NRLC Note were extended to May 1, 1989, and the indebtedness under the 5/89 NRLC Note and the Assign T/D Term Note represented, constituted and was additional indebtedness under, pursuant to and secured by the Deed of Trust;

J. By a certain "Addendum to Credit Agreement" dated as of March 31, 1989 ("Sixth Modification Agreement"), among other things, the maturity date of the Assign T/D Term Note was extended to August 15, 1991.

NOW, THEREFORE, Bank and Russell agree as follows:

AGREEMENT

1. Extension of Maturity Dates on Notes. The maturity dates of the Herd Term Note, the 3/87 NRLC Note, the 10/87 NRLC Note, the 9/88 NRLC Note and the 5/89 NRLC Note, and each of them, are each further extended to September 4, 1989, on which date the total outstanding principal balance under each of such notes, together with accrued and unpaid interest thereon, shall be due and payable in full.

2. Modifications to Deed of Trust. The Deed of Trust is modified to include the following language:

A. All Indebtedness Secured by Deed of Trust. The Deed of Trust shall secure, in such order of priority as Beneficiary in its absolute discretion may determine, due and prompt payment of an indebtedness in the aggregate principal sum of \$16,992,342.04 as evidenced by the following promissory notes and any and all amendments, modifications, renewals, or extensions

of such notes, together with the payment of interest on such indebtedness and the payment of all other sums according to the terms of such notes:

(i) a certain promissory note dated January 21, 1987 executed by Trustor and payable to Beneficiary or order in the original principal sum of \$6,950,000.

(ii) a certain promissory note dated January 21, 1987 executed by Trustor and payable to Beneficiary or order in the original principal sum of \$6,059,800.

(iii) a certain promissory note dated September 9, 1987 executed by Trustor and payable to Beneficiary or order in the original principal sum of \$2,238,600.

(iv) a certain promissory note dated August 9, 1988 executed by Trustor and payable to Beneficiary or order in the original principal sum of \$2,836,600.

(v) a certain promissory note dated January 23, 1989 executed by Trustor and payable to Beneficiary or order in the original principal sum of \$4,879,400.

(vi) a certain promissory note dated January 23, 1989 executed by Trustor and payable to Beneficiary or order in the original principal sum of \$1,500,000.

(vii) a certain Term Loan Agreement, with Note included, dated April 23, 1989 executed by Trustor and payable to Beneficiary in the original principal sum of \$223,000.

(viii) a certain promissory note dated August 23, 1989 executed by Trustor and payable to Beneficiary or order in the original principal sum of \$3,360,800.

B. Granting Clause. In granting rights to the Trustee under the granting clause of this Deed of Trust, the Trustor also grants, transfers and conveys to Trustee:

(i) Any and all property which is at the time of the execution of this Deed of Trust attached in any manner whatsoever to the Property more particularly described in Exhibit "A" to the Deed of Trust, or which is used in the operating of the Property for the purposes for which the Property is improved, including but not limited to all tanks, windmills, pumping equipment, pumps, well equipment, well casing, water distribution plants, and irrigation equipment;

(ii) All water and water rights, including riparian, appropriative, prescriptive, overlying rights, rights evidenced by mutual water company stock, and all dams, ditches, canals, pipe lines, reservoirs and all other means for the diversion or use of waters appurtenant to the Property or any part thereof, or used or enjoyed in connection therewith, including use for irrigation, domestic, municipal, recreational, fish and

wildlife and stock-watering purposes, irrigation and drainage rights of every kind and character, however manifested or evidenced, and all buildings and improvements thereon or that may be placed thereon;

(iii) all grazing rights, permits, leases or allotments issued in connection with the Property by the Bureau of Land Management, U.S. Forest Service, lessors, or any other person or agency.

(iv) the above rights shall be conclusively deemed to be accessions to and a part of the Property.

C. Maintenance of the Property. In addition to Trustor's other maintenance obligations with respect to the Property, Trustor shall cultivate, irrigate, fertilize, fumigate, spray, prune and do any other acts which from the character or use of the Property may be reasonably necessary, in accordance with the best standards practiced by others engaged in similar operations and, if the Property is agricultural property, Trustor shall farm and harvest, and prepare for farming and harvesting, the Property in an approved and husbandlike manner.

D. Assignment of Rents. In addition to the rents, issues and profits assigned by Trustor to Beneficiary under this Deed of Trust, Trustor specifically assigns to Beneficiary all rents, revenues, royalties, rights and benefits accruing to Trustor under all present and future oil, gas, and mining leases and under all present and future grazing leases on the Property.

E. Performance of Obligations by Beneficiary or Trustee. Should Trustor fail to make any payment, perform any obligation or do any act as set forth in this Deed of Trust, then in addition to the other rights of Beneficiary and Trustee set forth in this Deed of Trust, Beneficiary and/or Trustee are authorized to enter upon the Property and, if agricultural property, prepare for harvest, harvest, store, remove and sell any crops that may be growing on the Property and apply the proceeds thereof to the indebtedness secured by this Deed of Trust. Beneficiary and/or Trustee may employ Trustor's employees and use Trustor's equipment at the Property in accomplishing the foregoing. Trustor agrees that any action by Beneficiary or Trustee described above shall be deemed to be authorized by Trustor and shall not be a breach of the peace, provided Beneficiary and/or Trustee makes reasonable effort to safeguard all of the Trustor's Property.

F. Additional Advances. This Deed of Trust, and all addenda, extensions and modifications thereto are governed by Nevada Revised Statutes 106.300 to 106.400. This Deed of Trust secures future advances from Beneficiary to Trustor. The maximum amount of future advances of principal to be secured by this Deed of Trust, over the total principal indebtedness of \$18,992,342.00, is \$10,000,000.00. Any future advances from Beneficiary to Trustor are at the option of Beneficiary and Beneficiary is in no way obligated by this provision to make any such advances.

G. Incorporation of Fictitious Deed of Trust. The reference in the Deed of Trust to the Fictitious Deeds of Trust recorded in various counties in California is deleted. The following language is added in its place:

To protect the security of this Deed of Trust, and with respect to the Property above described, Trustor expressly makes each and all of the agreements, and adopts and agrees to perform and be bound by each and all of the terms and provisions set forth in subdivision A, and it is mutually agreed that each and all of the terms and provisions contained in subdivision B of the fictitious Deed of Trust recorded at Book 22 Off. Rec., Page 138, as Document 45941, in the Office of the County Recorder for the County of Eureka, State of Nevada, on January 30, 1968, shall inure to and bind the parties hereto with respect to the Property described above. Said agreements, terms and provisions contained in said subdivision A and B, are by this reference incorporated and made a part of this Deed of Trust for all purposes as fully as if set forth at length herein, and Beneficiary may charge for a statement regarding the obligation secured hereby, provided the charge does not exceed a reasonable amount.

3. No Novation. This Agreement is not a novation and is only an extension of the maturity dates of the Hard Term Note, the 3/87 NRLC Note, the 10/87 NRLC Note, the 9/88 NRLC Note, and the 5/89 NRLC Note as provided herein and a modification of the Deed of Trust. Except as provided in this Agreement, all other terms and conditions of such notes and the Deed of Trust shall remain in full force and effect.

4. Continuing Priority. Russell and Bank hereby further agree that the Deed of Trust as modified and amended hereby shall have the same effect in all respects, including priority, as if it had contained the above referenced principal sum and additional language. Russell and Bank also hereby agree that this modification shall not prejudice any present or future rights, remedies, benefits and powers belonging or accruing to Bank under the terms of the Deed of Trust.

5. Acceptance by Russell. Daniel E. Russell (also known as Dan Russell) and Roberta A. Russell accept this Agreement

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and, in consideration thereof, jointly and severally agree to pay the indebtedness evidenced by the Notes referenced herein according to the respective terms of the Notes and this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed, and delivered as of the date first hereinabove written.

BANK:

SANWA BANK CALIFORNIA

RUSSELL:

Daniel H. Russell
DANIEL H. RUSSELL
(also known as Dan Russell)

By: *Thomas A. Bol*
His: Vice Pres. & Manager

Robert A. Russell
ROBERTA A. RUSSELL

SEE90087

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STATE OF California
COUNTY OF Sacramento

ss.

On this 23rd day of August, 1989, before me, a Notary Public in and for said County and State, duly commissioned and sworn, personally appeared Thomas D. Bolin * * * * *, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument as a Vice President on behalf of the corporation therein named, and acknowledged to me that the corporation executed it.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year in this Certificate first above written.



Rita M. Suprenant
Notary Public

State of California

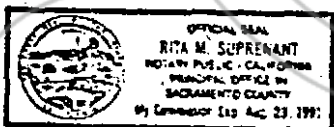
My Commission Expires: 8-23-91

STATE OF California
COUNTY OF Sacramento

ss.

On this 13rd day of August, in the year 1988, before me, a Notary Public, for the State of California, duly commissioned and sworn, personally appeared Daniel E. Russell and Robert A. Russell, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to this instrument, and acknowledged that they executed it.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal in the * * * * * County of Sacramento on the date set forth above in this certificate.



Rita M. Suprenant
Notary Public

State of California

My Commission Expires: 8-23-91

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BOOK 202 PAGE 602

EXHIBIT A

DESCRIPTION

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

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

Sadler Ranch - Parcels One and Two:

PARCEL ONE:

TOWNSHIP 22 NORTH, RANGE 32 EAST, M.D.P. & M.

Section 26: An undivided 1/2 interest in and to Southwest 1/4 Northeast 1/4; Southeast 1/4 Northwest 1/4

TOWNSHIP 24 NORTH, RANGE 32 EAST, M.D.P. & M.

Section 12: East 1/2 Northeast 1/4
Section 13: Northeast 1/4; Southwest 1/4; Northwest 1/4 Southeast 1/4; South 1/2 Southeast 1/4
Section 22: East 1/2 East 1/2; West 1/2 Southeast 1/4
Section 24: All
Section 25: North 1/2; North 1/2 South 1/2
Section 26: East 1/2 Northeast 1/4; West 1/2 Northeast 1/4; Northwest 1/4 Southeast 1/4; East 1/2 Southeast 1/4

TOWNSHIP 24 NORTH, RANGE 32 EAST, M.D.P. & M.

Section 17: Southwest 1/4 Southwest 1/4
Section 18: Lots 3 & 4, East 1/2 Southwest 1/4; West 1/2 Southeast 1/4; Southeast 1/4 Southeast 1/4
Section 19: Lots 1, 2, 3 & 4; East 1/2 West 1/2; West 1/2 East 1/2
Section 29: Northwest 1/4; West 1/2 Southeast 1/4; North 1/2 Southwest 1/4; West 1/2 Northeast 1/4; Southeast 1/4 Southeast 1/4
Section 20: Lots 1 & 2, East 1/2 Northwest 1/4; Northeast 1/4; North 1/2 Southeast 1/4
Section 32: North 1/2 Northeast 1/4

TOWNSHIP 25 NORTH, RANGE 32 EAST, M.D.P. & M.

Section 31: Southeast 1/4 Southeast 1/4

EXCEPTING THEREFROM an undivided 1/2 interest in and to all coal, oil, gas and other minerals, of every kind and nature whatsoever existing upon, beneath the surface of, or within said lands as reserved in deed from REINHOLD SADLER, et al, recorded February 2, 1976 in Book 53, page 282 of Official Records, Eureka County, Nevada.

PARCEL TWO:

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

Section 13: Southeast 1/4 Northwest 1/4
Section 25: South 1/2 Southwest 1/4

EXCEPTING THEREFROM all mineral deposits in and under said land,
reserved by the United States of America, in Patent recorded January 25,
1979 in Book 68, page 292 of Official records, Eureka County, Nevada.

RECORDED AT THE REQUEST OF

BOOK 202 PAGE 604

First American Title Co.
B SE 19 P. 1979

BOOK 202 PAGE 604

BOOK 210 PAGE 280

OFFICIAL RECORDS
CLERK OF COUNTY CLERK
H. H. PETERSON, RECORDER
FILE NO. 120015
FEE \$14.00

Exhibit "C"

FIRST ADDENDUM TO
AMENDED AND RESTATED CREDIT AGREEMENT

THIS ADDENDUM is made to that certain Amended and Restated Credit Agreement made August 23, 1989 between DANIEL H. RUSSELL and ROBERTA A. RUSSELL (together "Borrower") and SANWA BANK CALIFORNIA ("Bank").

RECITALS

A. It is the intent of the Borrower and Bank that this Addendum together with its terms and conditions be incorporated in and treated as a part of the Amended and Restated Credit Agreement entered into between Borrower and Bank on August 23, 1989 (hereinafter referred to as "Credit Agreement").

B. As a part of the Credit Agreement Borrower did agree at Paragraph 3.2.2(a) and (b) to execute in favor of Bank deeds of trust on the Silver Creek Ranch located in Fresno and San Benito Counties, California and Ashurst Ranch located in San Benito County, California.

C. As a result of title insurance investigations done on behalf of Bank pursuant to the Credit Agreement it has come to the mutual attention of Borrower and Bank that certain real property intended to be included as part of the purchases from predecessors in interest to the Silver Creek and Ashurst Ranches by Borrower may not have actually been included in said purchases.

may not have actually been included in said purchases.

D. Notwithstanding the effect of Recital C above, Borrower and Bank wish to proceed with and consummate transaction identified by the Credit Agreement with the understanding that Borrower will use his best efforts to cause any property omitted from said purchases to be transferred to him and will thereafter execute the proper documents to cause that added property to be added to the deeds of trust referred to in Paragraphs 3.2.2(a) and (b).

AGREEMENT

1. The parties incorporate Recitals A through D above by reference into this Agreement.

2. Borrower will use best efforts to identify and cause to be transferred to him any real property which was intended to be transferred in conjunction with the purchases of the Silver Creek and Ashurst Ranches by Borrower. In the event that he is successful in causing any such property to be transferred to him, Borrower will execute those documents necessary to assure that said additional real property is included in that real property encumbered by deeds of trust executed in favor of Bank pursuant to Paragraph 3.2.2(a) and (b) of the Credit Agreement.

Notwithstanding the above, Borrower makes no representations or warranties as to his ability to cause to be transferred the property mentioned therein nor the existence of any such property.

IN WITNESS WHEREOF, this Addendum to Amended and Restated

Credit Agreement is executed by the parties hereto on
August 23, 1989.

BANK:

SANWA BANK CALIFORNIA

By: Thomas A. Bol

Its Vice Pres. & Manager

BORROWER:

Daniel H. Russell
DANIEL H. RUSSELL

Robert A. Russell
ROBERTA A. RUSSELL

d:\tvh\Addend

BOOK 210 PAGE 283

RECORDING REQUESTED BY:

WHEN RECORDED MAIL TO:

Sanwa Bank California
601 J Street
Sacramento, CA. 95814

Attn: Thomas D. Bolin

Exhibit "D"

121020

SPACE ABOVE THIS LINE FOR RECORDER'S USE

SUBORDINATION AGREEMENT

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

THIS AGREEMENT, made this 25th day of August 19 88 by

DANIEL H. RUSSELL and ROBERTA A. RUSSELL

owner of the land hereinafter described and hereinafter referred to as "Owner," and

SANWA BANK CALIFORNIA, successor in interest to LLOYDS BANK CALIFORNIA

present owner and holder of the deed of trust and note first hereinafter described and hereinafter referred to as "Beneficiary";

WITNESSETH

THAT WHEREAS, DANIEL H. RUSSELL and ROBERTA A. RUSSELL
did on April 1, 1986, execute a deed of trust to First Bancorp. a California
corporation, as trustee, covering:

See Attachment "A", incorporated herein by reference

to secure a note in the sum of \$ 10,556,500, dated April 1, 1986, in favor of:
Lloyds Bank California, a California corporation, which deed of
trust was recorded April 7, 1986, in book 143, page 265, Official Records of said county and
is subject and subordinate to the deed of trust next hereinafter described; and

*Together with those modifications listed on Exhibit "B" and recorded
as stated therein.

WHEREAS, DANIEL H. RUSSELL and ROBERTA A. RUSSELL
did on June 29, 1983, execute a deed of trust to Washoe Title Guaranty Company,
a Nevada Corporation, as trustee, covering said land and securing an indebtedness in
the amount of \$ 6,500,000, in favor of Metropolitan Life Insurance Co.
a corporation, hereinafter referred to as "Lender", which deed of trust was
recorded July 5, 1983, in book 111, page 576, Official Records of said county and provides
among other things that it shall also secure additional loans and advances thereafter made upon the terms and conditions therein set
forth; and *further recording as related on Exhibit "C"

WHEREAS, Owner has executed, or is about to execute, a note in the amount of \$ 1,350,000, dated
in favor of Lender, payable with interest and upon the terms and conditions described therein, which
note evidences an additional loan to be made by Lender to Owner under the terms and provisions of, and secured by, said deed of
trust in favor of Lender; and

WHEREAS, it is a condition precedent to obtaining said additional loan that said deed of trust in favor of Lender, securing all
obligations recited therein as being secured thereby, including but not limited to said additional loan, shall unconditionally be and
remain at all times a lien or charge upon the land herebefore described, prior and superior to the lien or charge of the deed of trust
first above mentioned; and

WHEREAS, Lender is willing to make said additional loan provided the deed of trust securing the same is a lien or charge upon said
land prior and superior to the lien or charge of the deed of trust first above mentioned and provided that Beneficiary will specifically
and unconditionally subordinate the lien or charge of the deed of trust first above mentioned to the lien or charge of said deed of trust
in favor of Lender; and

BOOK 210 PAGE 284

BOOK 183 PAGE 94

WHEREAS, it is to the mutual benefit of the parties hereto that Lender make said additional loan to Owner, and Beneficiary is willing that the deed of trust securing the same shall constitute a lien or charge upon said land which is unconditionally prior and superior to the lien or charge to the deed of trust first above mentioned.

NOW, THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which consideration is hereby acknowledged, and in order to induce Lender to make the additional loan above referred to, it is hereby declared, understood, and agreed as follows:

- (1) That said deed of trust in favor of Lender, as to said additional loan as well as all other obligations recited as being secured thereby, and any renewals or extensions thereof, shall unconditionally be and remain at all times a lien or charge on the property therein described, prior and superior to the lien or charge of the deed of trust first above mentioned.
- (2) That Lender would not make its additional loan above described without this subordination agreement.
- (3) That this agreement shall be the whole and only agreement with regard to the subordination of the lien or charge of the deed of trust first above mentioned to the lien or charge of the deed of trust in favor of Lender above referred to and shall supersede and cancel, but only insofar as would affect the priority between the deeds of trust hereinafter specifically described, any prior agreement as to such subordination including, but not limited to, those provisions, if any, contained in the deed of trust first above mentioned, which provide for the subordination of the lien or charge thereof to another deed or deeds of trust or to another mortgage or mortgages.

Beneficiary declares, agrees, and acknowledges that

- (a) He consents to and approves (i) all provisions of the note evidencing said additional loan and the deed of trust securing same, and (ii) all agreements, including but not limited to any loan or escrow agreements, between Owner and Lender for the disbursement of the proceeds of Lender's additional loan;
- (b) Lender in making disbursements pursuant to any such agreement is under no obligation or duty to, nor has Lender represented that it will, see to the application of such proceeds by the person or persons to whom Lender disburses such proceeds and any application or use of such proceeds for purposes other than those provided for in such agreement or agreements shall not defeat the subordination herein made in whole or in part;
- (c) He intentionally and unconditionally waives, relinquishes, and subordinates the lien or charge of the deed of trust first above mentioned in favor of the lien or charge upon said land of the deed of trust in favor of Lender, as to said additional loan as well as all other obligations recited therein as being secured thereby, and understands that in reliance upon and in consideration of this waiver, relinquishment and subordination specific loans and advances are being and will be made and, as part and parcel thereof, specific monetary and other obligations are being and will be entered into which would not be made or entered into but for said reliance upon this waiver, relinquishment and subordination; and
- (d) An endorsement has been placed upon the note secured by the deed of trust first above mentioned that said deed of trust has by this instrument been subordinated to the lien or charge of the deed of trust in favor of Lender above referred to.

NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH ALLOWS THE PERSON OBLIGATED ON YOUR REAL PROPERTY SECURITY TO OBTAIN A LOAN, A PORTION OF WHICH MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENT OF THE LAND.

SANTA BARBARA, CALIFORNIA, this _____ day of _____ 19____, in interest to LLOYDS BANK CALIFORNIA

Thomas D. Bolin
Thomas D. Bolin, Vice President & Manager

Beneficiary

Samuel H. Russell
Samuel H. Russell
Owner

(ALL SIGNATURES MUST BE ACKNOWLEDGED)

IT IS RECOMMENDED THAT, PRIOR TO THE EXECUTION OF THIS SUBORDINATION AGREEMENT, THE PARTIES CONSULT WITH THEIR ATTORNEYS WITH RESPECT THERETO.

(CLTA SUBORDINATION FORM "C")

CORPORATE ACKNOWLEDGMENT

State of California

County of Sacramento

SS

On this the 25th day of August 1966, before me,

Rita M. Suprenant

the undersigned Notary Public, personally appeared

Thomas D. Bolin

☒ personally known to me
☐ proved to me on the basis of satisfactory evidence
 to be the person(s) who executed the within instrument as
a vice president of _____ or on behalf of the corporation therein
 named, and acknowledged to me that the corporation executed it.
 WITNESS my hand and official seal.

Notary's Signature



NATIONAL NOTARY ASSOCIATION • 2202 Century Blvd. • P.O. Box 442 • Berkeley, Calif. 94701

STATE OF CALIFORNIA
 COUNTY OF Sacramento

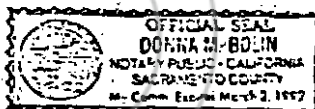
On August 29, 1966

before me the undersigned a Notary Public in and for
 said State, personally appeared Daniel H. Russell and Roberta A. Russell

personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) are subscribed to the within instrument and acknowledged to me that he/she/they executed the same

WITNESS my hand and official seal.

Signature Donna M. Bolin



(This area for official notarial seal)

BOOK 183 PAGE 096

BOOK 210 PAGE 286

Exhibit "A"

TOWNSHIP 14 NORTH RANGE 13 EAST, M.D.B. & M.

- Section 7: Southeast 1/4 Northeast 1/4
Section 8: East 1/2; Northwest 1/4 Northwest 1/4; South 1/2
Northwest 1/4; North 1/2 Southwest 1/4; Southeast 1/4
Southwest 1/4
Section 9: Northeast 1/4 Northeast 1/4; South 1/2 Northeast 1/4;
Northwest 1/4 Northwest 1/4; South 1/2 Northwest 1/4;
South 1/2
Section 10: North 1/2; North 1/2 South 1/2; Southwest 1/4 Southeast
1/4; South 1/2 Southwest 1/4
Section 11: South 1/2 Northeast 1/4; Northwest 1/4; North 1/2
Southwest 1/4
Section 12: North 1/2

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

- Section 16: South 1/2 Southwest 1/4
Section 17: Lots 1 and 2 of the Northwest 1/4

BOOK 183 PAGE 097

BOOK 210 PAGE 287

TOWNSHIP 17 NORTH RANGE 49 EAST M O R E 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 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 21.41 chains to Corner No. 6; thence, South 0°4' East 3.98 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 4.46 chains to Corner No. 11; thence South 33°44' East 4.99 chains to Corner No. 12; thence South 46°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 61.63 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 O R E M

Sections 7 and 8: Homestead Entry No. 98 embracing portions of said Sections 7 and 8 is 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 37.53 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 3.39 chains to Corner No. 4; thence North 76°43' West 30.86 chains to Corner No. 5; thence North 56°9' East 5.40 chains to Corner No. 6; thence South 79°52' East 53.00 chains to Corner No. 7; thence North 76°59' East 13.21 chains to Corner No. 8; thence South 37°41' East 3.41 chains to Corner No. 1, the place of beginning; containing 35.65 acres, according to the official plat of Survey of said land, returned to the General Land Office by the Surveyor-General.

Section 19: Lot 4; Southeast 1/4 Southwest 1/4

Section 29: North 1/2 Northwest 1/4; West 1/2 Northeast 1/4

Section 30: Northeast 1/4 Northwest 1/4; North 1/2 Northeast 1/4; East 1/2 Southwest 1/4; North 1/2 Southeast 1/4

Section 31: West 1/2 Northeast 1/4; Northeast 1/4 Northeast 1/4

TOWNSHIP 18 NORTH, RANGE 40 EAST, M.D.B. & M.

Section 25: North 1/2 Northeast 1/4

TOWNSHIP 18 NORTH, RANGE 30 EAST, M.D.B. & M.

Section 28: Southwest 1/4 Northeast 1/4; Northwest 1/4 Southeast 1/4
Section 30: Northwest 1/4 Northeast 1/4, Northeast 1/4 Northwest 1/4

TOWNSHIP 18 NORTH, RANGE 31 EAST, M.D.B. & M.

Section 18: West 1/2 Northeast 1/4; East 1/2 Northwest 1/4; West 1/2
Southeast 1/4; Southwest 1/4
Section 19: Northwest 1/4 Northeast 1/4; West 1/2; West 1/2 Southeast
1/4
Section 30: North 1/2; North 1/2 South 1/2

TOWNSHIP 18 NORTH, RANGE 34 EAST, M.D.B. & M.

Section 18: Southeast 1/4 Northwest 1/4; Northeast 1/4 Southwest 1/4;
Northwest 1/4 Southeast 1/4; South 1/2 Southeast 1/4;
Lot 2
Section 19: Northeast 1/4; Southeast 1/4 Northwest 1/4; North 1/2
Southeast 1/4
Section 20: West 1/2 Northwest 1/4; North 1/2 Southwest 1/4;
Southeast 1/4 Northwest 1/4; Lot 1

EXCEPTING FROM ALL OF THOSE PARCELS SHOWN IN TOWNSHIP 18 NORTH, RANGE
34 EAST, M.D.B. & M., EXCEPT THE NORTHEAST 1/4 NORTHEAST 1/4 OF SECTION 19,
THE SOUTHWEST 1/4 NORTHWEST 1/4, LOT 1, NORTHWEST 1/4 NORTHWEST 1/4 AND THE
NORTHEAST 1/4 SOUTHWEST 1/4 OF SECTION 20, ALL THE COAL AND OTHER MINERALS
BE RESERVED IN PATENT EXECUTED BY THE UNITED STATES OF AMERICA, RECORDED
AUGUST 17, 1932 IN BOOK 21 OF DEEDS AT PAGE 89, ELKINS COUNTY, NEVADA
RECORDS.

TOWNSHIP 18 NORTH, RANGE 30 EAST, M.D.B. & M.

Section 16: West 1/2 Northeast 1/4; East 1/2 Northwest 1/4;
Southwest 1/4 Northwest 1/4; Northwest 1/4 Southwest 1/4
Section 17: Southeast 1/4 Northeast 1/4, Northeast 1/4 Southeast 1/4

TOWNSHIP 18 NORTH, RANGE 40 EAST, M.D.B. & M.

Section 14: East 1/2 Southwest 1/4 Northwest 1/4 Southwest 1/4; West
1/2 Southeast 1/4 Northwest 1/4 Southwest 1/4; Southeast
1/4 Southeast 1/4 Northwest 1/4 Southwest 1/4; Southwest
1/4 Southeast 1/4 Southwest 1/4; Southwest 1/4 Southeast
1/4 Southeast 1/4 Southwest 1/4; South 1/2 Northwest 1/4
Southeast 1/4 Southwest 1/4; Northwest 1/4 Northwest 1/4
Southeast 1/4 Southwest 1/4; Southeast 1/4 Southeast 1/4
Southwest 1/4 Southwest 1/4; North 1/2 Southeast 1/4
Southwest 1/4 Southwest 1/4; Northeast 1/4 Southwest 1/4
Southwest 1/4; Northeast 1/4 Northwest 1/4 Southwest 1/4
Southwest 1/4

Section 23: Northeast 1/4 Southeast 1/4 Northeast 1/4, Northeast 1/4
Southwest 1/4 Northeast 1/4 Northwest 1/4; Northwest 1/4
Southeast 1/4 Northeast 1/4 Northwest 1/4

AND a parcel of land existing within a portion of Section 27, and
Section 34, known as Homestead Entry No. 86 and is described as follows:

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 17.27 chains to Corner No.
3; thence North 87°44' East 7.72 chains to Corner No. 4; thence South
22°31' 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 193,
Eureka County, Nevada records.

TOWNSHIP 16 NORTH RANGE 40 EAST M.D.B. & M.

Section 3: Northwest 1/4 Southwest 1/4; Southwest 1/4 Southwest 1/4
Section 6: Northeast 1/4 Southeast 1/4; Southeast 1/4 Southeast 1/4
Section 6: Northwest 1/4 Northwest 1/4; South 1/2 Northwest 1/4;
Northeast 1/4 Southwest 1/4

TOWNSHIP 16 NORTH RANGE 40 EAST M.D.B. & M.

Section 5: West 1/2 East 1/2; East 1/2 West 1/2; West 1/2 Southwest
1/4; Southwest 1/4 Northwest 1/4
Section 6: Southeast 1/4; Southeast 1/4 Northeast 1/4

EXCEPTING THEREFROM all coal and other valuable minerals as reserved
in Patent executed by UNITED STATES OF AMERICA, recorded July 6, 1930 in
Book 24 of Deeds at page 79, Eureka County, Nevada records.

Section 18: Northwest 1/4 Northeast 1/4; Northeast 1/4 Southwest 1/4;
Southeast 1/4 Northwest 1/4; Southwest 1/4 Southeast 1/4
Section 19: East 1/2 Southeast 1/4; Northwest 1/4 Southeast 1/4;
Northeast 1/4

EXCEPTING from all of the subject property in Section 18 and the North
1/2 Northeast 1/4, Southwest 1/4 Northeast 1/4 and Northwest 1/4 Southeast
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: West 1/2 Southwest 1/4; Southwest 1/4 Northwest 1/4

EXCEPTING from the Southeast 1/4 Southeast 1/4 of Section 19 and the
Southwest 1/4 Southwest 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 334, Eureka County, Nevada.

Section 29: Southwest 1/4 Northwest 1/4; Northwest 1/4 Southwest 1/4;
Southwest 1/4 Southwest 1/4

Section 30: East 1/2 Northeast 1/4; Northeast 1/4 Southeast 1/4

BOOK 183 PAGE 100

BOOK 210 PAGE 290

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.

EXCEPTING FROM the above described parcels, all mineral rights and interest, including coal, oil, gas and other hydrocarbons, and all other metallic and non-metallic mineral ores and substances, and geothermal steam, hot water, hot brines, thermal energy and gasses as conveyed by VALIANT FARMS-EUREKA, INC. to APAL, a Limited Partnership, by various documents of record.

The above interest in minerals by mesne or conveyances is in favor of DANIEL M. RUSSELL by those certain deeds recorded:

Recording date	Book	Page	Document No.	County
4-01-88	609	407	248663	Elko
4-01-88	125	420	250971	White Pine
4-01-88	175	121	117501	Eureka
4-01-88	309	16		Lander
4-01-88			206511	Nye

EXHIBIT "B"

An instrument substituting the trustee under said Deed of Trust
Recorded: June 30, 1987 in Book 158, page 501 of Official Records
as Document No. 109295, Eureka County, Nevada records

Substitutes as trustee: FIRST AMERICAN TITLE COMPANY OF NEVADA
An instrument purports to modify the terms of said Deed of
Trust as therein provided

Dated: June 16, 1987

Recorded: June 30, 1987 in Book 158, page 502 of Official Records
as File No. 109236, Eureka County, Nevada records

Executed by: SANWA BANK CALIFORNIA, successor in interest to LLOYDS BANK
CALIFORNIA and DANIEL M. RUSSELL and ROBERTA A. RUSSELL

An instrument purports to modify the terms of said Deed
of Trust as therein provided

Dated: September 9, 1987

Recorded: September 30, 1987 in Book 164, page 566 of Offi-
cial Records as File No. 112389, Eureka County,
Nevada; September 30, 1987 in Book 595, page 544 of
Official Records as File No. 151723, Nye County,
Nevada records; September 30, 1987 in Book 116,
page 55 of Official Records as File No. 246133,
White Pine County, Nevada; September 30, 1987 in
Book 116, page 61 of Official Records as File No.
245134, White Pine County, Nevada; October 1, 1987
in Book 581, page 394 of Official Records as File
No. 237117, Elko County, Nevada and File No.
237116, Elko County Nevada records

Executed by: Sanwa Bank California by Thomas D. Bolin and Daniel
H. Russell and Roberta A. Russell

Exhibit "C"

Re-recording of Deed of Trust

Recorded August 11, 1983, Book 112, Page 556 Official Records
of said County

OFFICIAL RECORDS
RECORDED AT THE REQUEST OF *1st American Title*
BOOK 210 PAGE 263
90 MAY 18 AM 120
EUREKA COUNTY, NEVADA
M.H. REGALATI, CLERK
FILE NO. FEE \$ 35.00

132352

BOOK 210 PAGE 293

RECORDED AT THE REQUEST OF

1st American Title Co.
SEP -2 AM 126

FILE NO. 121-20 1400

BOOK 183 PAGE 103