

RECORDING REQUESTED BY, AND  
WHEN RECORDED, MAIL TO:

132353

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) \$1,506,500, (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 Main Ranch (Nevada) and described in Exhibit "A," attached hereto and incorporated herein by this reference, ("Property"). The Deed of Trust was recorded in Book 147 at Page 009 in the Office of the County Recorder of the County of Eureka, State of Nevada.

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.

BOOK 210 PAGE 294

See Bk. 217, Pg. 443  
for First Amendment to Agreement

RH  
DHR

314600.NYE

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"), dated 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, 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:

(i) 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 H. Hill  
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





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

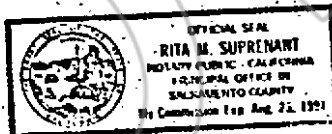
STATE OF CALIFORNIA )  
                                  ) SS.  
COUNTY OF SACRAMENTO )

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



BOOK 210 PAGE 299

DESCRIPTION

Exhibit "A"

BLM DIAMOND RANCH

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

PARCEL ONE:

TOWNSHIP 21 NORTH, RANGE 53 EAST, M.D.B. & M.

Section 20: West 1/2

EXCEPTING THEREFROM that portion thereof conveyed to CORPORATION OF THE PRESIDING BISHOP OF THE CHURCH OF JESUS CHRIST OF LATTER DAY SAINTS, A UTAH CORPORATION SOLE, in Deed recorded September 7, 1984 in Book 127, page 467 as Document No. 95671, Official Records, which is described as follows:

Commencing at the West 1/4 corner of said Section 20, thence North  $0^{\circ}09'00''$  East 1767.82 feet along the west line of said Section 20 to Corner No. 1 the true point of beginning; thence continuing North  $0^{\circ}09'00''$  East 840.25 feet along the west line of said Section 20 to Corner No. 2, being on the southerly right of way line of 7th Street; thence South  $89^{\circ}59'48''$  East 840.95 feet along the said southerly right of way line of 7th Street to Corner No. 3; thence from a tangent bearing South  $70^{\circ}38'55''$  west on a curve to the left, with a radius of 1380.00 feet; through a central angle of  $51^{\circ}05'48''$ , for an arc length of 1230.69 feet to Corner No. 1, the point of beginning, now known as Parcel One and Two of the certain Parcel Map recorded June 4, 1984, under Document No. 93464, Eureka County, Nevada records.

Section 29: North 1/2

PARCEL TWO:

TOWNSHIP 21 NORTH, RANGE 53 EAST, M.D.B. & M.

Section 20: East 1/2

EXCEPTING THEREFROM, all potassium, oil and gas as reserved in Patent dated March 13, 1963, executed by UNITED STATES OF AMERICA to JAMES J. KAHLE recorded May 3, 1963 in Book 26 of Deeds at page 426, Eureka County, Nevada records.

(Continued)

PARCEL THREE:

TOWNSHIP 21 NORTH, RANGE 53 EAST, M D B & M.

Section 22: East 1/2

Section 27: East 1/2

EXCEPTING THEREFROM, all the oil, gas, potash and sodium as reserved in Patents executed by UNITED STATES OF AMERICA to THOMAS H. GALLAGHER and JOHN B. BONDS, recorded April 9, 1964 in Book 3 of Official Records at page 555 and December 30, 1964 in Book 6 of Official Records at page 348, Eureka County, Nevada.

PARCEL FOUR:

TOWNSHIP 21 NORTH, RANGE 53 EAST, M D B & M.

Section 28: All

EXCEPTING THEREFROM all the oil and gas as reserved in Patents executed by UNITED STATES OF AMERICA to DOROTHY S. GALLAGHER and MILLIE S. SEWELL, recorded December 30, 1964 in Book 6 of Official Records at pages 349 and 350, Eureka County, Nevada records.



314288-1111  
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

129614

*Eureka Co  
Main Ranch  
(Nevada)*

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 July 10, 1986 Russell executed and  
delivered to Bank a deed of trust of even date ("Deed of Trust"),  
which Deed of Trust secured indebtedness in the principal amount  
of Four Hundred Ninety-Nine Thousand Dollars (\$499,000).

B. The Deed of Trust encumbers certain real property  
described in the attached Exhibit "A" (the "Property"), and was  
recorded on July 28, 1986, as File No. 103950 in Book 147 at  
page 009 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;

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 3, 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 \$18,952,342.04.

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 \$18,952,342.04 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 \$18,992,342.04, 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

-5- BOOK 202 PAGE 589

BOOK 210 PAGE 306



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 Herd 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

///

///



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

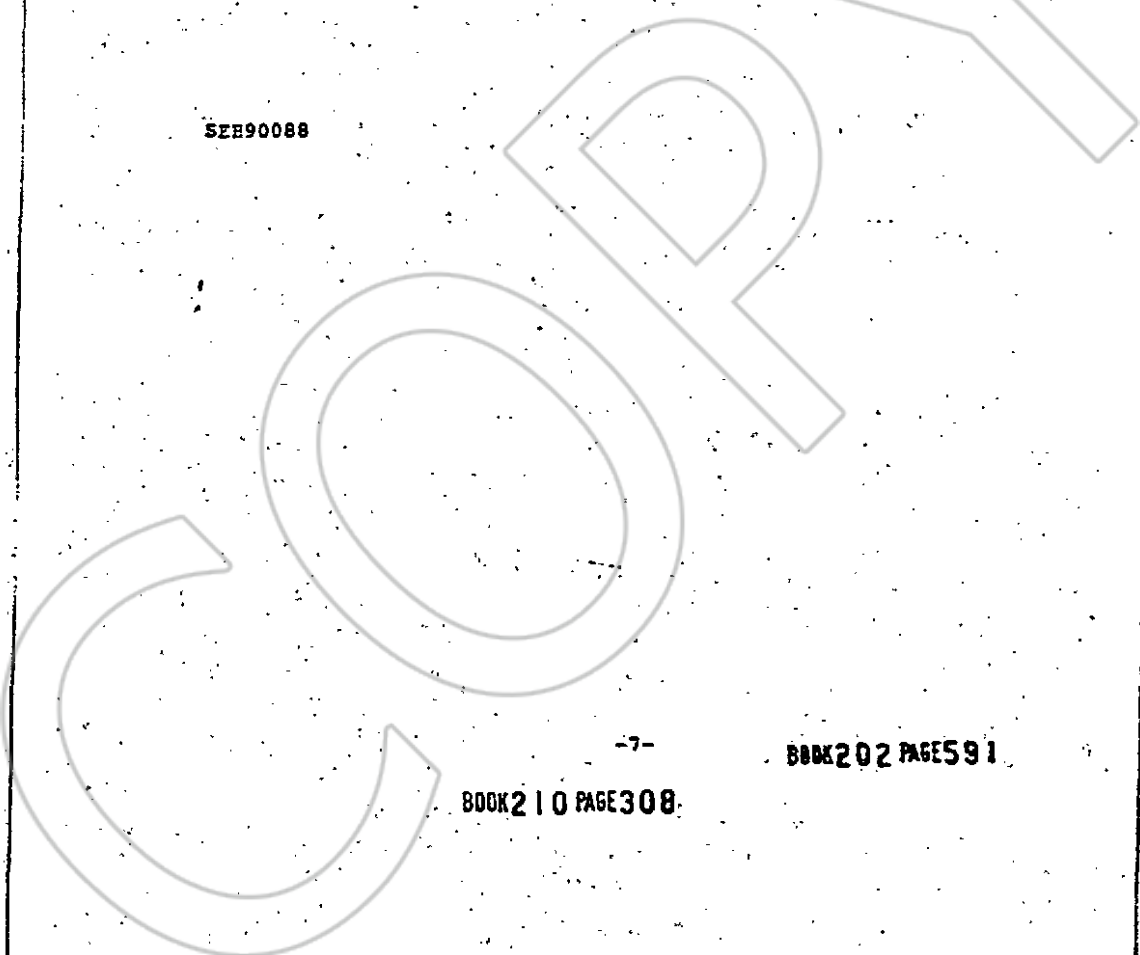
RUSSELL:

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

By: *Thomas A. Bl...*  
Its: Vice Pres. & Manager

*Roberta A. Russell*  
ROBERTA A. RUSSELL

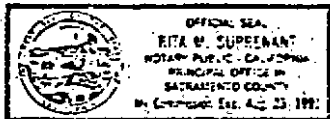
SEH90088



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 21st day of August, in the year 1989, 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

-3-

BOOK 202 PAGE 592

BOOK 210 PAGE 309

EXHIBIT A

All that real property situated in the County of Eureka, State of Nevada described as follows:

**PARCEL FIVE:**

TOWNSHIP 21 NORTH, RANGE 53 EAST, M.D.R. & M.

Section 20: West 1/2

EXCEPTING THEREFROM that portion thereof conveyed to CORPORATION OF THE PRESIDING BISHOP OF THE CHURCH OF JESUS CHRIST OF LATTER DAY SAINTS, A UTAH CORPORATION SOLE, in Deed recorded September 7, 1984 in Book 127, page 467 as Document No. 95671, Official Records, which is described as follows:

Commencing at the West 1/4 corner of said Section 20, thence North 0°09'00" East 1767.62 feet along the West line of said Section 20 to Corner No. 1 the true point of beginning, thence continuing North 0°09'00" East 940.25 feet along the West line of said Section 20 to corner No. 2, being on the Southerly Right of Way line of 7th Street; thence South 89°59'48" East 940.93 feet along the said Southerly right of way line of 7th Street to Corner No. 3, thence from a tangent bearing South 70°38'55" West on a curve to the left, with a radius of 1320.00 feet, through a central angle of 51°05'48", for an arc length of 1220.69 feet to Corner No. 1, the point of beginning, now known as Parcel One and Two of the certain Parcel Map recorded June 4, 1984, under Document No. 92464, Eureka County, Nevada records.

Section 20: North 1/2

**PARCEL SIX:**

TOWNSHIP 21 NORTH, RANGE 53 EAST, M.D.R. & M.

Section 20: East 1/2

EXCEPTING THEREFROM, all potassium, oil and gas as reserved in Patent dated March 12, 1963, executed by UNITED STATES OF AMERICA to JAMES J. KAHLE recorded May 2, 1963 in Book 26 of Deeds at page 426, Eureka County, Nevada records.

PARCEL SEVEN:

TOWNSHIP 21 NORTH, RANGE 52 EAST, M.D.R. & M.

Section 22: East 1/2  
Section 27: East 1/2

EXCEPTING THEREFROM: all the oil, gas, potash and sodium as reserved in Patents executed by UNITED STATES OF AMERICA to THOMAS H. GALLAGHER and JOHN B. BONDS, recorded April 9, 1964 in Book 3 of Official Records at page 555 and December 30, 1964 in Book 6 of Official Records at page 348, Eureka County, Nevada.

PARCEL EIGHT:

TOWNSHIP 21 NORTH, RANGE 52 EAST, M.D.R. & M.

Section 28: All

EXCEPTING THEREFROM all the oil and gas as reserved in Patents executed by UNITED STATES OF AMERICA to DOROTHY S. GALLAGHER and MILLIE S. SEWELL, recorded December 20, 1964 in Book 6 of Official Records at pages 349 and 350, Eureka County, Nevada records.

RECORDED AT THE REQUEST OF

BOOK 202 PAGE 594

*First American Title*  
15 SEP 19 1964

OFFICIAL RECORDS  
EUREKA COUNTY, NEVADA  
BY REGISTRATION  
FEE NO. FEE \$ 1.00

129614

BOOK 210 PAGE 311

BOOK 202 PAGE 594

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

Roberta A. Russell  
ROBERTA A. RUSSELL

OFFICIAL RECORDS  
RECORDED AT THE REQUEST OF 1<sup>st</sup> American Title  
BOOK 210 PAGE 294  
90 MAY 18 AM 20  
SURCHA COUNTY, NEVADA  
M.N. REBATE/ALM. CHARGER  
FILE NO. 132353 FEE \$ 25.00

d:\cvh\Addend

3

BOOK 210 PAGE 314