

UNIFORM COMMERCIAL CODE — FINANCING STATEMENT — FORM UCC-1

This FINANCING STATEMENT is presented for filing pursuant to the Nevada Uniform Commercial Code

EUREKA COUNTY

IMPORTANT: Read instructions on back before filling out form.

Receipt No. _____

1. DEBTOR (Type "SOLE PROPRIETOR" if individual owner) LEGAL BUSINESS NAME OR INDIVIDUAL (LAST NAME FIRST) <u>Russell, Daniel H.</u>		15. CITY, STATE <u>Polsom, California</u>		10. ZIP CODE <u>95630</u>	
17. MAILING ADDRESS <u>P.O. Box 339</u>		16. CITY, STATE <u>Polsom, California</u>		11. ZIP CODE <u>95630</u>	
2. ADDITIONAL DEBTOR (IF ANY) (Type "SOLE PROPRIETOR" if individual owner) LEGAL BUSINESS NAME OR INDIVIDUAL (LAST NAME FIRST) <u>Russell, Roberta A.</u>		25. CITY, STATE <u>Polsom, California</u>		20. ZIP CODE <u>95630</u>	
28. MAILING ADDRESS <u>P.O. Box 339</u>		26. CITY, STATE <u>Polsom, California</u>		21. ZIP CODE <u>95630</u>	

3. ☐ ADDITIONAL DEBTOR(S) ON ATTACHED SHEET

4. SECURED PARTY NAME <u>Monfort Finance Company, Inc.</u>		4A. SECURED PARTY'S FEDERAL TAX ID NO. <u>84-0913363</u>	
MAILING ADDRESS <u>P.O. Box G</u>			
CITY <u>Greeley</u> STATE <u>Colorado</u> ZIP CODE <u>80632</u>			
5. ASSIGNOR OF SECURED PARTY (IF ANY) NAME <u>Monfort Finance Company, Inc.</u>		5A. SECURED PARTY'S FEDERAL TAX ID NO. <u>84-0913363</u>	
MAILING ADDRESS <u>P.O. Box G</u>			
CITY <u>Greeley</u> STATE <u>Colorado</u> ZIP CODE <u>80632</u>			

8. This FINANCING STATEMENT covers the following types of items of property of crops or timber, include description of real property on which growing or to be growing and name of record owner of such real estate, if sellers, include description of real property to which affixed or to be affixed and name of record owner of such real estate, if not gas or minerals, include description of real property from which to be extracted.

That property more particularly described on Exhibits A and B attached hereto and made a part hereof by this reference.

6A. SIGNATURE OF RECORD OWNER <u>[Signature]</u>		6C. SIGNATURE OF SECURED PARTY <u>[Signature]</u>	
6B. SIGNATURE OF RECORD OWNER OF REAL PROPERTY <u>[Signature]</u>		6D. SIGNATURE OF SECURED PARTY <u>[Signature]</u>	
7. Check if Applicable (X) A. <input checked="" type="checkbox"/> Proceeds of collateral are also covered		B. <input checked="" type="checkbox"/> Products of collateral are also covered	
C. <input type="checkbox"/> Proceeds of above described original collateral in which a second, inferior, was perfected (Debtor's Signature Not Required)		D. <input type="checkbox"/> Collateral was brought into this State subject to security interest in another jurisdiction (Debtor's Signature Not Required)	
8. Check if Applicable (X) <input type="checkbox"/> DEBTOR IS A "TRANSMITTING UTILITY" IN ACCORDANCE WITH NRS 704.205 AND NRS 194.940			

9. SIGNATURE OF DEBTOR(S) <u>Daniel H. Russell, individually</u>		11. This Space for Use of Filing Office (Date, time, file number and filing office) UCC FILE NO. 151333	
By <u>Roberta A. Russell, individually</u>		FILED THIS 8TH DAY OF MARCH, 1994 AT 30 MINS. PAST 2P.M., RECORDS OF EUREKA COUNTY, NEVADA.	
By <u>Monfort Finance Company, Inc.</u>		<u>M.M. Roberts</u>	
By <u>[Signature]</u>		EUREKA COUNTY RECORDER	

10. Return Copy to: NAME <u>Monica L. Sharp</u> ADDRESS <u>Dorsey & Whitney</u> CITY, STATE AND ZIP <u>370 17th Street, Suite 4400</u> <u>Denver, Colorado 80202</u>		Trust Account Number (If Applicable) <u>[Blank]</u>	
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UNIFORM COMMERCIAL CODE FORM UCC-1 (REV. 12-93)

Approved by the Nevada Secretary of State

(Filing Fee See Instructions)

BOOK 266 PAGE 109

EXHIBIT A TO UCC-1
DANIEL H. RUSSELL AND ROBERTA A. RUSSELL

The following property and interests in property of Debtor, whether now owned or existing or hereafter acquired or arising and wheresoever located: all Accounts, Inventory, Farm Products, General Intangibles, Equipment, Margin Accounts, Documents, all accessions to, substitutions for, and all replacements, products and proceeds of the foregoing (including, without limitation, proceeds of insurance policies insuring any of the foregoing), all books and records (including, without limitation, customer lists, credit files, computer programs, printouts and other computer material and records) pertaining to any of the foregoing, and all insurance policies insuring any of the foregoing.

"Accounts" shall mean all present and future rights (including, without limitation, rights under any futures contracts, forward sale or purchase contracts or other contracts) of Debtor to payment for "Inventory" (as hereinafter defined) or other goods sold or leased or for services rendered, which rights are not evidenced by instruments or chattel paper, regardless of whether such rights have been earned by performance.

"Inventory" shall mean any and all goods which shall at any time constitute "inventory" (as defined in the Uniform Commercial Code of Colorado ("Code")) or Farm Products (including, without limitation, goods in transit), wheresoever located, whether now owned or hereafter acquired by Debtor, which from time to time are held for sale or lease, furnished under any contract of service or held as raw materials, work in process or supplies, and all packaging or handling materials (including, without limitation, all pallets, containers, bags, cartons, boxes, wrappers and the like) used or consumed in Debtor's business.

"Farm Products" shall mean all of Debtor's livestock, whether branded or unbranded, of either sex and of all types and descriptions, including without limitation, the offspring of such livestock in gestation, and supplies, and also, all crops or seed of all types and descriptions, whether annual or perennial, now or hereafter growing or grown and all other personal property of Debtor used or for use in farming operations (including, without limitation, native grass, grain, harvested crops, seed, feed, fertilizer, hay, silage, and supplies), now or hereafter owned by Debtor or now or hereafter purchased by or for the benefit of Debtor. Farm Products shall also include, but shall not be limited to, all of Debtor's now owned or hereafter acquired feed additives, feed supplements, veterinary supplies, and related products, whether purchased by or for the benefit of Debtor, and any other "farm products" as defined in the "Code".

"General Intangibles" shall mean all of Debtor's right, title and interest in and to any bank deposit accounts, customer deposit accounts, deposits, rights related to pre-paid expenses, Payment in Kind Certificates ("PIK Certificates"), negotiable or non-negotiable instruments or securities, chattel paper, choses in action, causes of

action, claims which are the subject of any and all state or federal lien avoidance actions, as well as said lien avoidance actions, and all other intangible personal property of every kind and nature (other than Accounts), whether presently owned or hereafter acquired or arising, including, without limitation, corporate or other business records, inventions, designs, patents, patent applications, trademarks, trade names, trade secrets, goodwill, registrations, copyrights, licenses, franchises, customer lists, tax refunds, tax refund claims, customs claims, guarantee claims, co-op memberships or patronage benefits, notes payable to Debtor for capital stock, claims against any holder of Debtor's capital stock, rights to any government subsidy, set aside, diversion, deficiency or disaster payment or payment in kind, milk bases, brands and brand registrations, water rights which are not or may not be real property (including, without limitation, water stock, ditch rights, well permits, water permits, applications and the like), Commodity Credit Corporation storage agreements or contracts, leasehold interests in real and personal property and any security interests or other security held by or granted to Debtor to secure payment by any Account Debtor of any of the Accounts.

"Equipment" shall mean any and all goods, other than Inventory (including, without limitation, equipment, machinery, motor vehicles, implements, tools, parts and accessories) which are now or hereafter owned or acquired by Debtor, together with any and all accessions, parts and appurtenances thereto.

"Margin Accounts" shall mean all existing or hereafter acquired or accumulated futures contracts or funds and other property related to such futures contracts, which Debtor or Debtor's authorized attorney-in-fact may acquire, accumulate, withdraw or pay out, and which may be held with any broker, including any balance credited to any Margin Account upon its closing.

"Documents" shall mean any and all warehouse receipts, bills of lading or similar documents of title relating to goods in which Debtor at any time has an interest, whether now or at any time or times hereafter issued to Debtor or Monfort by any Person, and whether covering Debtor's Inventory or otherwise.

EXHIBIT B
Legal Descriptions for Property
in
Eureka County, Nevada

BOOK 266 PAGE 112

EXHIBIT "A"

DESCRIPTION OF REAL PROPERTY

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

PARCEL ONE: -- 1

TOWNSHIP 20 NORTH, RANGE 40 EAST, M. D. B. & M.

Section 8: North 1/2 Southeast 1/4
Section 9: Southwest 1/4
Section 15: South 1/2 Northwest 1/4; North 1/2 Southwest 1/4;
Northwest 1/4 Southeast 1/4
Section 16: Northeast 1/4; Northeast 1/4 Northwest 1/4

TOWNSHIP 21 NORTH, RANGE 40 EAST, M. D. B. & M.

Section 10: Northeast 1/4; Southwest 1/4; Northwest 1/4 Southeast
1/4; South 1/2 Southeast 1/4
Section 35: Northeast 1/4 Southwest 1/4; Northwest 1/4 Southeast 1/4

TOWNSHIP 22 NORTH, RANGE 40 EAST, M. D. B. & M.

Section 36: Northeast 1/4; North 1/2 Southeast 1/4, Lot 4

TOWNSHIP 23 NORTH, RANGE 40 EAST, M. D. B. & M.

Section 31: Lots 1 and 2

EXCEPTING FROM the West 1/2 of the Northeast 1/4 of Section 36,
Township 22 North, Range 40 East, M. D. B. & M., all the oil and gas as
reserved in Patent executed by United States of America, recorded February
2, 1962 in Book 26 of Deeds at page 173, Eureka County, Nevada records

EXCEPTING FROM the South 1/2 of the Northwest 1/4; North 1/2 of the
Southwest 1/4; Northwest 1/4 of the Southeast 1/4 of Section 15, the
Northeast 1/4 of the Northeast 1/4 and the South 1/2 of the Northeast 1/4
of Section 16, Township 20 North, Range 40 East, M. D. B. & M., all the oil,
gas, potash and sodium as reserved in Patent executed by United States of
America, recorded December 2, 1963 in Book 9 of Official Records at page
185, Eureka County, Nevada.

FURTHER EXCEPTING from all of the above described lands one-half of
all oil, gas or mineral rights of any name or nature as reserved by
PIETRINA CECHEGARAY, et al, in Deed recorded June 20, 1966 in Book 11 of
Official Records at page 37, Eureka County, Nevada.

PARCEL TWO: --

TOWNSHIP 15 NORTH, RANGE 30 EAST, M. D. B. & M.

Section 4: Lots 1 and 2, South 1/2 Northeast 1/4, Southeast 1/4

EXCEPTING all oil and gas as reserved in Patent executed by UNITED
STATES OF AMERICA.

(continued)

PARCEL THREE

TOWNSHIP 14 NORTH RANGE 52 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 54 EAST, M. D. B. & M.

- Section 6: South 1/2 Southwest 1/4
Section 7: Lots 1 and 2 of the Northwest 1/4

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

- Section 24: Homestead Entry No. 174, comprising Tracts A and B,
embracing a portion of, approximately Section 24 in
Township 17 North of Range 49 East of the Mount Diablo
Meridian, Nevada, more particularly 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 37° west 43.65 chains to Corner
No. 2; thence, North 2° 40' west 3.44 chains to Corner No. 3; thence, North
72° 35' East 22.53 chains to Corner No. 4; thence, South 65° 30' East 10.92
chains to Corner No. 5; thence, South 34° 24' East 21.41 chains to Corner
No. 6; thence, South 6° 4' East 5.08 chains to Corner No. 1, the place of
beginning

(Continued)

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Beginning for the description of Tract B at Corner No. 7, from which Corner No. 3 of said Tract A bears South 87° East 50 links distant; thence North 87° West 27.75 chains to Corner No. 8; thence North 30° 12' East 12.74 chains to Corner No. 9; thence North 30° 30' West 10.96 chains to Corner No. 10; thence North 47° East 4.48 chains to Corner No. 11; thence South 33° 44' East 4.90 chains to Corner No. 12; thence South 42° 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 3.23 chains to Corner No. 7, the place of beginning, containing in the aggregate 61.33 acres, according to the official plat of the Survey of said land, returned to the General Land Office by the Surveyor-General.

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

Sections 7 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° 25' East 57.55 chains distant, thence South 73° 52' West 17.72 chains to Corner No. 2; thence North 76° 19' West 27.40 chains to Corner No. 3; thence South 66° 29' West 3.30 chains to Corner No. 4; thence North 76° 43' West 30.88 chains to Corner No. 5; thence North 55° 9' East 5.40 chains to Corner No. 6; thence South 73° 52' East 25.00 chains to Corner No. 7; thence North 76° 50' East 15.21 chains to Corner No. 8; thence South 37° 41' East 5.41 chains to Corner No. 1, the place of beginning, containing 35.65 acres, according to the official plat of 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 20: 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 49 EAST, M. D. B. & M.

Section 25: North 1/2 Northeast 1/4

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

Section 29: 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 19 NORTH RANGE 51 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

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TOWNSHIP 18 NORTH, RANGE 54 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 54 East, M.D.B. & M., except the Northeast 1/4 Northwest 1/4 of Section 19, the Southeast 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 reserved in Patent executed by the UNITED STATES OF AMERICA, recorded August 17, 1932 in Book 21 of Deeds at page 89, Elko County, Nevada records.

TOWNSHIP 18 NORTH, RANGE 50 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: Southwest 1/4 Northeast 1/4; Northeast 1/4 Southeast 1/4

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

- Section 14: East 1/2 Southwest 1/4 Northwest 1/4 Southwest 1/4, West 1/2 Southwest 1/4 Northwest 1/4 Southwest 1/4; Southeast 1/4 Southwest 1/4 Northwest 1/4 Southwest 1/4, Southwest 1/4 Southwest 1/4 Southwest 1/4; Southwest 1/4 Southwest 1/4 Southwest 1/4; South 1/2 Northwest 1/4 Southwest 1/4 Southwest 1/4; Northwest 1/4 Northwest 1/4 Southwest 1/4 Southwest 1/4; Southwest 1/4 Southwest 1/4 Southwest 1/4; Southwest 1/4 Southwest 1/4 Southwest 1/4; North 1/2 Southwest 1/4 Southwest 1/4 Southwest 1/4; Northeast 1/4 Southwest 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 Southwest 1/4 Northeast 1/4; Northeast 1/4 Southwest 1/4 Northeast 1/4 Northwest 1/4, Northwest 1/4 Southwest 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 1.25 chains distant, thence North 26°42' West 66.97 chains to Corner No. 3, thence North 13° West 17.37 chains to Corner No. 2, thence North 87°44' East 7.72 chains to Corner No. 4, thence South 22°51' East 86.81 chains to Corner No. 5, thence West 7.36 chains to Corner No. 1, the place of beginning, containing 78.62 acres, and being the same parcel conveyed by the UNITED STATES OF AMERICA to GEORGE WILLIAMS by Land Patent dated May 19, 1910 and recorded in Book 18 of Deeds at page 165, Elko County, Nevada records.

(Continued)

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TOWNSHIP 10 NORTH, RANGE 40 EAST, M. D. B. & M.

Section 5: Northwest 1/4 Southwest 1/4; Southwest 1/4 Southwest 1/4
Section 6: Northeast 1/4 Southwest 1/4; Southeast 1/4 Southeast 1/4
Section 8: Northwest 1/4 Northwest 1/4; South 1/2 Northwest 1/4;
Northeast 1/4 Southwest 1/4

TOWNSHIP 10 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 9, 1950 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 32 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, 1966 in Book 26 of Official Records at page 534, 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

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 gases as conveyed by VALIANT FARMS-EUREKA, INC., to APAL, a Limited Partnership, by various documents of record.

(Continued)

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BOOK 266 PAGE 117

EXHIBIT "b"

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

PARCEL 1

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.

Section 29: North 1/2.

PARCEL 2

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 rec-
orded May 3, 1963, in Book 26, of Deeds at Page 426, Eureka County, Nevada,
Records.

PARCEL 3

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 4

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, rec-
orded December 30, 1964, in Book 6 of Official Records at Pages 349 and 350,
Eureka County, Nevada, Records.

This Exhibit B attached to Deed of Trust filing for Daniel H.
and Roberta A. Russell, securing loans of \$429,000 & \$70,000
dated 7-10-86.

Exhibit 1.

PR. L. MINARY REPORT

ADDED PAGE 2

Description Continued . . .

PARCEL 1:

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

Section 36: An undivided 1/2 interest in and to SW 1/4 NE 1/4;
SE 1/4 NW 1/4

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

Section 12: E 1/2 NE 1/4
Section 13: NE 1/4; SW 1/4; NW 1/4 SE 1/4; S 1/2 SE 1/4
Section 23: E 1/2 E 1/2; W 1/2 SE 1/4
Section 24: All
Section 25: N 1/2; N 1/2 S 1/2
Section 26: E 1/2 NE 1/4; W 1/2 NE 1/4; NW 1/4 SE 1/4; E 1/2 SE 1/4

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

Section 17: SW 1/4 SW 1/4
Section 18: Lots 3 and 4, E 1/2 SW 1/4; W 1/2 SE 1/4; SE 1/4 SE 1/4
Section 19: Lots 1, 2, 3 and 4; E 1/2 W 1/2; W 1/2 E 1/2
Section 29: NW 1/4; W 1/2 SE 1/4; N 1/2 SW 1/4; W 1/2 NE 1/4; SE 1/4 SE 1/4
Section 30: Lots 1 and 2, E 1/2 NW 1/4; NE 1/4; N 1/2 SE 1/4
Section 32: N 1/2 NE 1/4

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

Section 5: SE 1/4 SE 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 583, Official Records, Eureka County, Nevada.

PARCEL 2:

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

Section 13: SE 1/4 NW 1/4
Section 25: S 1/2 SW 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, Official Records, Eureka County, Nevada.

EXHIBIT "A" (Continued)

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

TOWNSHIP 16 NORTH, RANGE 53 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 16 NORTH, RANGE 54 EAST, M.D.B.&M.

- Section 6: South 1/2 Southwest 1/4
Section 7: Lots 1 & 2 of the Northwest 1/4

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

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

Beginning for the description of Tract A at corner No. 1, identical with the Southwest corner to Section 15 in Township 17 North, Range 50 East of the Mount Diablo Meridian; thence, North 87° West 43.66 chains to Corner No. 2; thence, North 2°40' West 3.44 chains to Corner No. 3; thence, North 73°35' East 22.53 chains to Corner No. 4; thence, South 63°30' East 10.92 chains to Corner No. 5; thence, South 84°24' East 12.41 chains to Corner No. 6; thence, South 0°4' East 5.98 chains to Corner No. 1, the place of beginning.

Beginning for the description of Tract B at Corner No. 7, from which Corner No. 2 of said Tract A bears South 87° East 50 links distant; thence North 87° West 27.75 chains to Corner No. 8; thence North 39°12' East 12.76 chains to Corner No. 9; thence North 39°29' West 16.96 chains to Corner No. 10; thence North 47° East 4.48 chains to Corner No. 11; thence South 33°44' East 4.99 chains to Corner No. 12; thence South 48°20' East 36.75 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 61.53 acres, according to the official plat of the Survey of said land, returned to the General Land Office by the Surveyor-General.

EXHIBIT "A" (Continued)

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

Sections 7 & 8: Described more particularly as follows:

Beginning at Corner No. 1 from which the quarter corner to Sections 8 and 9 in Township 17 North of Range 50 East of the Mount Diablo Meridian, bears North $82^{\circ}35'$ East 57.53 chains distant; thence South $73^{\circ}52'$ West 17.72 chains to Corner No. 2; thence North $75^{\circ}13'$ West 27.40 chains to Corner No. 3; thence South $66^{\circ}29'$ West 3.30 chains to Corner No. 4; thence North $76^{\circ}43'$ West 30.88 chains to Corner No. 5; thence North $56^{\circ}9'$ East 5.40 chains to Corner No. 6; thence South $79^{\circ}52'$ East 55.00 chains to Corner No. 7; thence North $76^{\circ}59'$ East 15.21 chains to Corner No. 8; thence South $37^{\circ}41'$ East 5.41 chains to Corner No. 1, the place of beginning; containing 35.65 acres, according to the official plat of the Survey of said land, returned to the General Land Office by the Surveyor-General.

Section 19: Lot 4; 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 49 EAST, M.D.B.&M.

Section 25: North $1/2$ Northeast $1/4$

TOWNSHIP 18 NORTH, RANGE 50 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 51 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 54 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

EXHIBIT "A" (Continued)

TOWNSHIP 19 NORTH, RANGE 50 EAST, M.D.P. & 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 10 NORTH, RANGE 48 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: North 1/2 Southeast 1/4 Northwest 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 described as:


Beginning at Corner No. 1, from which U. S. Location Monument No. 253 bears South 26°42' East 1.55 chains distant, thence North 25°42' West 69.97 chains to Corner No. 2; thence North 9°13' West 17.37 chains to Corner No. 3; thence North 87°44' East 7.72 chains to Corner No. 4; thence South 22°51' East 86.81 chains to Corner No. 5; thence West 7.36 chains to Corner No. 1, the place of beginning, containing 78.92 acres, and being the same parcel conveyed by the UNITED STATES OF AMERICA to GEORGE WILLIAMS by Land Patent dated May 19, 1916, and recorded in Book 13 of Deeds at Page 195, Eureka County, Nevada records.

EXHIBIT "A" (Continued)

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

Section 5: 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 8: Northwest 1/4 Northwest 1/4; South 1/2 Northwest 1/4;
Northeast 1/4 Southwest 1/4

TOWNSHIP 19 NORTH, RANGE 49 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
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
Section 20: West 1/2 Southwest 1/4; Southwest 1/4 Northwest 1/4
Section 29: Southwest 1/4 Northwest 1/4; Northwest 1/4 Southwest 1/4;
Southwest 1/4 Southwest 1/4; Northwest 1/4 Northwest 1/4; 
Section 30: East 1/2 Northeast 1/4; Northeast 1/4 Southeast 1/4

DESCRIPTION

BLUE DIAMOND RANCH

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

PARCEL ONE:

TOWNSHIP 31 NORTH, RANGE 53 EAST, M.O.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°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 640.25 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 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°38'55" West on a curve to the left, with a radius of 1380.00 feet; through a central angle of 51°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 31 NORTH, RANGE 53 EAST, M.O.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 52 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 355 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.

Exhibit A

HELD RANCH

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

TOWNSHIP 10 NORTH, RANGE 34 EAST, M.D.B. & M.

- Section 2: SW1/4 of the SW1/4
Section 3: S1/2 of the SE1/4; SE1/4 of the SW1/4

TOWNSHIP 20 NORTH, RANGE 34 EAST, M.D.B. & M.

- Section 3: Lot 5 (SW1/4 of the NW1/4)
Section 4: S1/2 of the NE1/4
Section 5: W1/2 of the SW1/4
Section 9: S1/2 of the NE1/4; SE1/4 of the NW1/4; NE1/4 of the SW1/4
Section 10: SE1/4 of the NW1/4; Lot 2 (SW1/4 of the NW1/4)
Section 13: W1/2 of the SW1/4
Section 16: E1/2 of the SE1/4
Section 17: S1/2 of the SE1/4; SE1/4 of the SW1/4
Section 20: NW1/4 of the NE1/4; NE1/4 of the NW1/4
Section 21: S1/2 of the NE1/4; N1/2 of the NW1/4; SE1/4 of the NW1/4;
N1/2 of the SE1/4; SE1/4 of the SE1/4
Section 22: S1/2 of the NE1/4; NW1/4 of the NW1/4; SE1/4 of the NW1/4
Section 23: SW1/4 of the NE1/4
Section 24: NW1/4 of the SW1/4
Section 25: NW1/4 of the NE1/4; N1/2 of the NW1/4; N1/2 of the SW1/4;
SE1/4 of the SW1/4
Section 26: S1/2 of the NE1/4; N1/2 of the SE1/4; N1/2 of the SW1/4
Section 27: SW1/4 of the NE1/4; NW1/4 of the NW1/4; SE1/4 of the
NW1/4; NE1/4 of the SE1/4
Section 28: NE1/4 of the NE1/4; S1/2 of the NW1/4; NW1/4 of the
SE1/4; SE1/4 of the SE1/4; NE1/4 of the SW1/4; SW1/4 of
the SW1/4
Section 29: SE1/4 of the SE1/4
Section 34: SW1/4 of the NE1/4; NW1/4 of the NW1/4; SE1/4 of the
NW1/4

TOWNSHIP 21 NORTH, RANGE 34 EAST, M.D.B. & M.

- Section 23: N1/2 of the SE1/4; N1/2 of the SW1/4
Section 34: S1/2 of the SE1/4
Section 35: N1/2 of the SE1/4; S1/2 of the SW1/4

EXCEPTING an undivided fifty percent interest in and to all gas, oil
and mineral rights lying in and under said land, as reserved by Maria
Teresa LaBarry, et al. in deed recorded January 5, 1973 in Book 362, page
241, Real Estate Records, White Pine County, and in Book 44, page 222,
Official Records, Eureka County, Nevada.

FURTHER EXCEPTING FROM Section 23, Township 21 North, Range 34 East,
M.D.B. & M., all gas, oil, and mineral rights lying in and under said land
as reserved by Bill Harris and Rosalyn Harris, in deed recorded March 22,
1976, in Book 54, page 203 of Official Records, Eureka County, Nevada.

BOOK 266 PAGE 126

IN WITNESS
WHEREOF
I have hereunto set my hand and
affixed the seal of said County
this 12th day of March, 1976.
CLERK

DESCRIPTION

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

PARCEL ONE:

TOWNSHIP 26 NORTH, RANGE 30 EAST, M.D.B. & M.

Section 1: SE1/4 of the NE1/4; W1/2 of the SW1/4; E1/2 of the SE1/4
Section 11: NE1/4 of the NE1/4
Section 12: E1/2 of the NE1/4; NE1/4 of the SE1/4

TOWNSHIP 26 NORTH, RANGE 31 EAST, M.D.B. & M.

Section 6: Lots 3, 4, 5, 6 and 7; SE1/4 of the NW1/4; E1/2 of the SW1/4
Section 7: Lots 1, 2, 3 and 4
Section 10: Lots 1, 2, 3 and 4

TOWNSHIP 27 NORTH, RANGE 31 EAST, M.D.B. & M.

Section 30: S1/2 of the NE1/4; Lot 4; E1/2 of the SW1/4; N1/2 of the SE1/4
Section 31: Lot 1

EXCEPTING AND RESERVING UNTO GRANTOR all oil, gas, coal, oil shales, and other hydrocarbon substances, inert gases, minerals, and metals, including but not limited to gold, cinnabar, copper, lead, silver or any other minerals, whether now known to exist or hereafter discovered. Said reservation includes but is not limited to the right of ingress and egress at all times to said lands for the purposes of extracting, processing, marketing, mining, drilling or prospecting for oil, gas, coal, oil shales, and other hydrocarbon substances, inert gases, minerals, and metals, including but not limited to gold, cinnabar, copper, lead, silver, or any other minerals; and, the right to lay, use existing or build and maintain roads, maintain and operate pipelines for oil and gas, together with the right to use so much of the surface as may be necessary or convenient to erect, maintain and operate buildings, derricks, telephone and telegraph lines and other structures necessary or convenient for drilling, prospecting, extracting, processing, marketing and mining oil, gas, coal, oil shales and other hydrocarbon substances, inert gases, minerals, and metals, including but not limited to gold, cinnabar, copper, lead, silver, or any other minerals, together with the right to drill for and develop water as convenient for domestic and commercial use related to this reservation.

And further excepting and reserving unto Grantor and Grantors gratuitous assigns, a nonexclusive easement in gross consisting of the right to hunt game and fowl, to fish and to make reasonable recreational use of the granted real property for so long as Grantee or Grantee's wife, children or grandchildren retain any interest therein (including but not limited to an interest in a corporation or other entity); provided that Grantor shall not unreasonably interfere with Grantee's use of the premises.

And further including those BLM grazing rights and range improvements associated therewith, including specifically the Buckhorn and Pine Creek Holdings administered by the Elko Office of the Bureau of Land Management.

Further including the use of all water rights associated with that real property or grazing right territory.

PARCEL TWO:

TOWNSHIP 27 NORTH, RANGE 31 EAST, M.D.B. & M.

Section 30: Lots 9 and 10; SW1/4 of the SE1/4 of the SE1/4 of the NW1/4; E1/2 of the SE1/4 of the SE1/4 of the NW1/4

Section 31: N1/2 of the NW1/4 of the NE1/4 of the NW1/4; SW1/4 of the NW1/4 of the NE1/4 of the NW1/4

EXCEPTING THEREFROM all oil and gas as reserved in Patent executed by United State of America to Liberty Livestock recorded December 6, 1972 in Book 44, page 190 of Official Records, Eureka County, Nevada and FURTHER EXCEPTING a right of way thereon for ditches and canals constructed by the United States.

EXCEPTING AND RESERVING UNTO GRANTOR all oil, gas, coal, oil shales, and other hydrocarbon substances, inert gases, minerals, and metals, including but not limited to gold, cinnabar, copper, lead, silver or any other minerals, whether now known to exist or hereafter discovered. Said reservation includes but is not limited to the right of ingress and egress at all times to said lands for the purposes of extracting, processing, marketing, mining, drilling or prospecting for oil, gas, coal, oil shales, and other hydrocarbon substances, inert gases, minerals, and metals, including but not limited to gold, cinnabar, copper, lead, silver, or any other minerals; and, the right to lay, use existing or build and maintain roads, maintain and operate pipelines for oil and gas, together with the right to use so much of the surface as may be necessary or convenient to erect, maintain and operate buildings, derricks, telephone and telegraph lines and other structures necessary or convenient for drilling, prospecting, extracting, processing, marketing and mining oil, gas, coal, oil shales and other hydrocarbon substances, inert gases, minerals, and metals, including but not limited to gold, cinnabar, copper, lead, silver, or any other minerals, together with the right to drill for and develop water as convenient for domestic and commercial use related to this reservation.

And further excepting and reserving unto Grantor and Grantors gratuitous assigns, a nonexclusive easement in gross consisting of the right to hunt game and fowl, to fish and to make reasonable recreational use of the granted real property for so long as Grantor or Grantee's wife, children or grandchildren retain any interest therein (including but not limited to an interest in a corporation or other entity), provided that Grantor shall not unreasonably interfere with Grantee's use of the premises.

And further including those BLM grazing rights and range improvements associated therewith, including specifically the Buckhorn and Pine Creek allotments administered by the Elko Office of the Bureau of Land Management.

Further including the use of all water rights associated with that real property or grazing right territory.

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