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United States Bankruptcy Court
Eastern District of Calif.

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Debtors-in-Possession

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIA
(Sacramento Division)**

In re
Case No. 93-25103-B-11
(Master File)

DANIEL H. RUSSELL, aka DAN
RUSSELL, dba RUSSELL RANCHES,
Debtor.

In re
Case No. 93-27892-B-11
Motion Control No.: CS-34

ROBERTA A. RUSSELL, aka ROBERTA
HICKS, aka ROBERTA A. HICKS, aka
ROBERTA ALAMEDA HICKS,
Debtor.

**ORDER AUTHORIZING SALE OF REAL PROPERTY
FREE AND CLEAR OF LIENS AND OTHER INTERESTS
[SANTA FE/FERGUSON RANCH]**

The Motion of Daniel H. Russell and Roberta A. Russell, the debtors and debtors-in-
possession in the above-captioned cases (the "Debtors") for an Order Authorizing Sale of Real
Property Free and Clear of Liens and Other Interests to Damele Farms, Inc. (the "Motion"), came on
for hearing on its continued date of August 23, 1994, before the Honorable Jane Dickson McKeag,
United States Bankruptcy Judge. Philip J. Rhodes of Cooper & Smith appeared on behalf of the
Debtor. Having considered the Motion and all other pleadings filed in support of and in opposition
to the Motion, and the oral arguments of the parties, and good cause appearing,

BOOK 277 PAGE 096
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CARRUSSELL CS34.ORD
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This is to certify that this is a true and
correct copy of the original thereof on file
in the office of the Clerk, U.S. Bankruptcy
Court.

RICHARD G. HELTZEL
U.S. Bankruptcy Court
Deputy Clerk

94211597

1 IT IS HEREBY ORDERED as follows:

2 1. The sale of the real property owned by the Debtors located in Eureka and Lander
3 Counties, Nevada, commonly known as the Sante Fe/Ferguson Ranch (the "Property"), the legal
4 description of which is attached to that certain Amended Preliminary Title Report No. 94211597
5 dated as of August 1, 1994, at 7:30 a.m. issued by Frontier Title of Elko, Nevada, a copy of which
6 is attached as EXHIBIT "A" (the "Preliminary Title Report") and incorporated by reference herein;
7 to Damele Farms, Inc., a Nevada corporation (the "Purchaser"), for the sum of \$320,000 is
8 authorized in accordance with the terms and conditions set forth in that certain Memorandum of
9 Agreement, a copy of which is attached to the Motion as Exhibit "2" (the "Agreement"), as
10 conditioned or modified by the terms of this Order.

11 2. Upon close of escrow, the Property shall become and hereby is deemed to be sold free
12 and clear of all liens, encumbrances and other interests against the Property pursuant to 11 U.S.C.
13 §363(f) except items 1 through 14 and 24 of the Preliminary Title Report. The liens, encumbrances
14 or other interests shall be paid through escrow or removed from the Property as follows:

15 i. All delinquent and current property taxes due and payable, represented by items 2
16 through 5 of the Preliminary Title Report shall be paid directly from escrow pursuant
17 to paragraph 3 of this order, *infra*.

17 ii. The liens, encumbrances or other interests represented by items 15 through 23 and 25
18 of the Preliminary Title Report shall attach to the net proceeds of the sale of the
19 Property pursuant to paragraphs 4 and 6 of this order, *infra*.

19 3. The proceeds of the sale of the Property are authorized and directed to be disbursed
20 by Frontier Title of Elko, Nevada ("Frontier Title") in the following order:

21 i. To pay the required closing costs and other escrow costs in accordance with the terms
22 of the Agreement;

22 ii. To pay the real estate broker commission of 7% to Jim Valentine, Lisa Weitzel, and
23 John Gourley;

24 iii. To pay all delinquent and current property taxes due and payable represented by items
25 2 through 5 of the Preliminary Title Report;

25 iv. To pay directly to Monfort Finance Company, Inc. ("Monfort") the remaining
26 proceeds of the sale towards the balance of the Monfort/Sanwa claim secured by item
27 16 of the Preliminary Title Report.

1 Any valid liens against the Property, which have not been released, paid or expressly
2 allowed to remain as a lien against the Property after sale, shall attach to the funds in their order of
3 priority without prejudice to any claims or defenses which may be asserted by any party in interest.
4 The Debtors are authorized and directed to execute and deliver, or join in the
5 execution and delivery of any and all documentation necessary to consummate the sale of the
6 Property and the transfer of the grazing permits in accordance with all applicable laws, regulations
7 and agreements governing the permits, as set forth in the Agreement, and the Debtors are further
8 authorized to perform any other act that is necessary for the consummation of this sale.
9 6. This Order shall in no way alter, perfect or otherwise modify the validity,
10 enforceability or priority of any lien or encumbrance other than to substitute the net proceeds received
11 from the sale for the Property pursuant to the authority conferred by this Order.
12 7. This Order is made without prejudice to any party-in-interest's rights to assert a claim
13 against the fund described in paragraph 6, *supra*, or to challenge in any way the amount,
14 enforceability, validity, priority or extent of any lien, encumbrance or other claim asserted by a
15 claimant to said fund.
16 8. The Court hereby retains jurisdiction for the purpose of expeditiously determining any
17 action or proceeding in law or equity arising out of this Order or the Agreement or otherwise arising
18 out of the sale.

20 Dated: SEP 9 - 1994

JANE DICKSON McKEAG
U.S. Bankruptcy Judge

FRONTIER TITLE COMPANY

445 Fifth Street

PO Box 228

Elko, Nevada 89801

STEWART TITLE

of Northeastern Nevada

d/b/a Frontier Title Company

445 Fifth Street Elko, Nevada 89801 (702-738-5181)

AMENDED

PRELIMINARY REPORT

When replying please contact
Escrow Officer: PAH AGUIRRE

Our Order No. 94211597
Your Reference: RUSSELL/DANIEL

This Preliminary Report on Title is delivered and accepted upon the understanding that you have no personal knowledge or information of any defect, objection, lien, or encumbrance affecting said premises other than those shown on succeeding pages heretofore, and your failure to disclose any such personal knowledge or information shall render this Preliminary Report on Title and any policy issued based thereon, null and void as to such defect, objection, lien or encumbrance.

Nothing herein contained shall be construed as a guarantee against the consequences of the exercise and enforcement or attempted enforcement of governmental "police power" over the property described herein.

This report (and any supplements or amendments thereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested. Dated as of: August 01, 1994 at 7:30 a.m.

KELLY WATSON, Title Officer

The estate or interest in the land hereinafter described or referred to covered

by this Report is:

A PER

Title to said estate or interest is vested in:

DANIEL H. RUSSELL and ROBERTA A. RUSSELL, Husband and Wife

CLTA PRELIMINARY REPORT (Effective 7-1-88)

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EXHIBIT A

LEGAL DESCRIPTION

The land referred to herein is situated in the State of Nevada County of EUREKA & LANDER, described as follows:

PARCEL 1: (EUREKA COUNTY)

TOWNSHIP 20 NORTH, RANGE 49 EAST, M.D.B.&N.

Section 8: N1/2SE1/4;

Section 9: SW1/4;

Section 15: S1/2NW1/4; N1/2SW1/4; NW1/4SE1/4;

Section 16: NE1/4; NE1/4NW1/4;

EXCEPTING from the S1/2NW1/4; N1/2SW1/4; NW1/4SE1/4 of Section 15, all the oil and gas, potash and sodium lying in and under said land as reserved by THE UNITED STATES OF AMERICA, by Patent recorded December 2, 1965, in Book 9, Page 195, Official Records, Eureka County, Nevada.

FURTHER EXCEPTING THEREFROM one-half of all oil, gas or other mineral rights of any name or nature owned by the seller's on June 3, 1966, as reserved by PETERINA ETCHEGARAY, et al, in Deed recorded June 20, 1966, in Book 11, Page 37, Official Records, Eureka County, Nevada.

TOWNSHIP 21 NORTH, RANGE 48 EAST, M.D.B.&N.

Section 10: NE1/4SW1/4; NW1/4SE1/4; S1/2SE1/4;

Section 35: NE1/4SW1/4; NW1/4SE1/4;

EXCEPTING THEREFROM an undivided one-half interest in and to all petroleum, oil, natural gas or other hydro-carbon substances and any and all other mineral, minerals or mineral rights owned or possessed by the grantor lying in and under said land as reserved by PETER ETCHEGARAY in Deed recorded May 10, 1965, in Book 7, Page 236, Official Records, Eureka County, Nevada.

TOWNSHIP 22 NORTH, RANGE 48 EAST, M.D.B.&N.

Section 36: W1/2NE1/4; NW1/4SE1/4; Lots 1, 2, 3 and 4;

TOWNSHIP 22 NORTH, RANGE 49 EAST, M.D.B.&N.

Section 31: Lots 1 and 2;

EXCEPTING THEREFROM the W1/2NE1/4; NW1/4SE1/4; Lots 1, 2 and 3 of Section 36, one-half of all oil, gas, or other mineral rights of any name or nature owned by sellers on June 3, 1966, as reserved by PETERINA ETCHEGARAY, et al, in Deed recorded June 20, 1966, in Book 11, Page 37, Official Records, Eureka County, Nevada.

EXCEPTING FROM Lot 4 of Section 36, TOWNSHIP 22 NORTH, RANGE 48 EAST, M.D.B.&N., and Lots 1 and 2 of Section 31, TOWNSHIP

SCHEDULE A

CLTA PRELIMINARY REPORT

(7/88)

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STEWART TITLE
Guaranty Company

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22 NORTH, RANGE 49 EAST, M.D.B.M., all mineral deposits lying in and under said land as reserved by the UNITED STATES OF AMERICA, in Patent recorded October 18, 1984, in Book 129, Page 115, Official Records, Eureka County, Nevada.

PARCEL 2: (LANDER COUNTY)

TOWNSHIP 21 NORTH, RANGE 48 EAST, M.D.B.M.

Section 19: SE1/4SW1/4, S1/2SE1/4,
Section 29: N1/2N1/2, S1/2NW1/4, SW1/4NE1/4,
Section 30: E1/2NW1/4, NE1/4, NW1/4SE1/4,

EXCEPTING THEREFROM an undivided one-half interest in and to all petroleum, oil, natural gas or other hydro-carbon substances, and any and all other mineral, minerals or mineral rights owned or possessed by the grantor lying in and under said land as reserved by PETE RITCHIEVER, in deed recorded April 30, 1965, in Book 7, Page 260, Official Records, Lander County, Nevada.

At the date hereof, exceptions to coverage in addition to the printed exceptions and exclusions in a Policy of Title Insurance are as follows:

1. THE FACT THAT RECORD ACCESS TO AND FROM A REGULARLY DEDICATED ROAD IS NOT REFLECTED IN THE PUBLIC RECORDS OF EUREKA AND LANDER COUNTY, NEVADA.

2. Delinquent taxes for the fiscal year 1993 - 1994, plus penalties and costs,
Amount due : \$323.10
Assessor Parcel No. : 07-080-04
Affects : Parcel 1

3. Delinquent taxes for the fiscal year 1993 - 1994, plus penalties and costs,
Amount due : \$118.06
Assessor Parcel No. : 5-310-02
Affects : Parcel 2

4. Taxes for the fiscal year July 1, 1994 to June 30, 1995, including any secured personal property taxes and any special or district assessments collected therewith, and any other assessments levied by City or County authorities, a lien now due and payable,
Total amount : \$536.19
1st installment : \$141.45
2nd installment : \$131.58
3rd installment : \$131.58
4th installment : \$131.58
Assessor Parcel No. : 7-080-04
Affects : Parcel 1

5. Taxes for the fiscal year July 1, 1994 to June 30, 1995, including any secured personal property taxes and any special or district assessments collected therewith, and any other assessments levied by City or County authorities, a lien now due and payable,
Total amount : \$48.32
1st installment : \$12.08
2nd installment : \$12.08
3rd installment : \$12.08
4th installment : \$12.08
Assessor Parcel No. : 5-310-02
Affects : Parcel 2

6. The lien, if any, of supplemental taxes, assessed pursuant to provisions adopted by the Nevada Legislature, and as disclosed by the Nevada Revised Statutes.

7. The fact that said land was approved for agricultural use assessment for taxation purposes by the Lander County Assessor and lien for any deferred taxes which may be levied against said land by reason of a change in use of said land for purposes other than agricultural, as evidenced by document
Recorded : December 4, 1975
: In Book 135 Page 567, as Document No. 81949

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STEWART TITLE - QUANTRY COMPANY

SCHEDULE B
CLTA PRELIMINARY REPORT

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Affects : Official Records of Lander County, Nevada.
: Parcel 2

8. The fact that said land was approved for agricultural use assessment for taxation purposes by the Eureka County Assessor and then for any deferred taxes which may be levied against said land by reason of a change in use of said land for purposes other than agricultural, as evidenced by document Recorded : October 8, 1991 : In Book 226 Page 467, as Document No. 138009 : Official Records of Eureka County, Nevada. Affects : Parcel 1

9. Reservations and exceptions contained in various patents from THE UNITED STATES OF AMERICA, recorded in the Office of the County Recorder of Eureka and Lander County, Nevada.

Said reservation and exception recites as follows:

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

Affects the following described land:

TOWNSHIP 20 NORTH, RANGE 49 EAST, M.D.B. & M.

Section 8: NE1/2SE1/4;

Section 9: SW1/4;

Section 16: NE1/4NW1/4; NW1/4NE1/4;

TOWNSHIP 21 NORTH, RANGE 48 EAST, M.D.B. & M.

Section 10: SE1/2SE1/4; NW1/4SE1/4; NE1/4SW1/4;

Section 30: NE1/4NE1/4;

Section 35: NW1/4SE1/4; NE1/4SW1/4;

TOWNSHIP 22 NORTH, RANGE 48 EAST, M.D.B. & M.

Section 36: Lots 1, 2 and 3; NW1/4SE1/4;

10. Reservations and exceptions contained in Patent from THE UNITED STATES OF AMERICA, Recorded : July 29, 1929

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Continued on next page

Affects : In Book 20, Page 383,
: Deed Records, Eureka County, Nevada.
Affects : All of Parcel 2 except the NE1/4NE1/4 of Section 30
Said reservation and exception recites as follows:

"...subject to any vested and accrued water rights, for mining, agricultural, manufacturing or other purposes, and rights to ditches and reservoirs used in connection with such water rights, as may be recognized and acknowledged by the local customs, laws and decisions of courts; and there is reserved from the lands hereby granted a right of way thereon for ditches or canals constructed by authority of the United States. Excepting and reserving, however, to the United States, all coal and other minerals in the lands so entered and patented, together with the right to prospect for, mine and remove the same pursuant to the provisions and limitations of the Act of December 29, 1916 and (39 Stat., 862)."

11. Reservations and exceptions contained in Patent from THE UNITED STATES OF AMERICA,
Recorded : December 2, 1965
: In Book 9, Page 195,
: Official Records, Eureka County, Nevada.

Said reservation and exception recites as follows:

"...subject to any vested and accrued water rights for mining, agricultural, manufacturing or other purposes, and rights to ditches and reservoirs used in connection with such water rights, as may be recognized and acknowledged by the local customs, laws and decisions of courts; and there is reserved from the lands hereby granted a right of way thereon for ditches or canals constructed by authority of the United States. Excepting and reserving also, to the United States all the oil, gas, potash and sodium in the land so patented, and to it or persons authorized by it, the right to prospect for, mine and remove such deposits from the same upon compliance with the conditions and subject to the provisions and limitations of the Act of July 17, 1914 (38 Stat. 509) as amended by the Act of March 4, 1933 (47 Stat. 1570)."

Affects the following described land:

TOWNSHIP 20 NORTH, RANGE 49 EAST, M.D.B.M.

Section 15: S1/2NW1/4; N1/2SW1/4; NW1/4SE1/4;

Continued on next page

Section 16: NE1/4NE1/4; S1/2NE1/4;

12. Reservations and exceptions contained in Patent from THE

Recorded

: February 5, 1962

: In Book 26, Page 175,

: Deed Records, Eureka County, Nevada.

Affects

: W1/2NE1/4 of Section 36, TOWNSHIP 22 NORTH,
: RANGE 48 EAST, M.D.B.L.M.

Said reservation and exception recites as follows:

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

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

13. Reservations and exceptions contained in Patent from THE

Recorded

: October 18, 1984

: In Book 129, Page 115,

: Official Records, Eureka County, Nevada.

Affects

: Lot 4 of Section 36, TOWNSHIP 22 NORTH, RANGE 48
: EAST, M.D.B.L.M., and Lots 1 and 2 of Section 31,
: TOWNSHIP 22 NORTH, RANGE 49 EAST, M.D.B.L.M.

Said reservation and exception recites as follows:

EXCEPTING AND RESERVING TO THE UNITED STATES:

1. A right-of-way thereon for ditches and canals constructed by the authority of the United States. Act of August 30, 1890, 26 Stat. 391; 43 U.S.C. 945.

2. All mineral deposits in the lands so patented, and to it, or persons authorized by it, the right to prospect, mine, and remove such deposits from the same under applicable law and such regulations as the Secretary of the Interior may prescribe.

SUBJECT TO:

1. Those rights granted by oil and gas leases, N-16909 and N-16943, made under Section 29 of the Act of February 25, 1920, 41 Stat. 437 and the Act of March 4, 1933, 47 Stat. 1570. This patent is issued subject to the right of the prior permittees or lessees to use so much of the surface of said land as is required for oil and gas exploration development operations, without compensation to the patentee for damages resulting from proper oil and gas operations, for the duration of oil and gas leases, N-16909 and N-16943, and any authorized extensions of these leases. Upon termination or relinquishment of said oil and gas leases, this reservation shall terminate.

14. Rights incidental to the ownership and development of the mineral interests excepted from the land described herein.

15. An oil and gas lease, dated February 12, 1979, executed by DONALD R. SMITH and WILMA M. SMITH, as lessor, and TRANSCONTINENT OIL COMPANY OF DENVER, as lessee, for the terms, covenants and conditions therein provided
Recorded
: April 6, 1979
: In Book 69, Page 469, File No. 68018,
: Official Records, Eureka County, Nevada.

The present ownership of said leasehold and other matters affecting the interest of the lessee are not shown in this Report/Policy.

Affects the following described land:

TOWNSHIP 20 NORTH, RANGE 49 EAST, M.D.B. & M.

Section 8: N1/2SE1/4;

Section 9: SW1/4

Section 16: NE1/4NW1/4; NW1/4NE1/4;

TOWNSHIP 21 NORTH, RANGE 48 EAST, M.D.B. & M.

Section 35: NE1/4SW1/4; NW1/4SE1/4;

TOWNSHIP 22 NORTH, RANGE 48 EAST, M.D.B. & M.

Section 36: E1/2NE1/4; NE1/4SE1/4;

16. A deed of trust to secure an indebtedness in the original amount stated herein, and/or other obligations secured thereby,
Dated : June 16, 1987
Amount : \$14,620,800.00
Trustor : DANIEL H. RUSSELL and ROBERTA A. RUSSELL,
Trustee : Husband and wife
: FIRST AMERICAN TITLE COMPANY OF NEVADA, a
: Nevada corporation
Beneficiary : SANWA BANK CALIFORNIA, a California corporation
Continued on next page

Recorded

: June 30, 1987

- : In Book 291, Page 589, as Document No. 143003,
- : Official Records of Lander County, Nevada and
- : In Book 158, Page 513, as Document No. 109239,
- : Official Records of Eureka County, Nevada.

The holder of this note/indebtedness should be contacted for all pertinent information.

An Agreement to modify the terms and provisions of said Deed of Trust as therein provided, executed by SANWA BANK CALIFORNIA and DANIEL H. RUSSELL (also known as DAN RUSSELL) and ROBERTA A. RUSSELL, was recorded September 30, 1987, in Book 299, Page 11, as File No. 146530, Official Records, Lander County, Nevada and in Book 164, Page 552, Official Records, Eureka County, Nevada.

An Agreement to modify the terms and provisions of said Deed of Trust as therein provided, executed by SANWA BANK CALIFORNIA and DANIEL H. RUSSELL (also known as DAN RUSSELL) and ROBERTA A. RUSSELL, was recorded May 11, 1988, in Book 310, Page 452, as File No. 151589, Official Records, Lander County, Nevada and in Book 176, Page 588, as File No. 118221, Official Records, Eureka County, Nevada.

An Agreement to modify the terms and provisions of said Deed of Trust as therein provided, executed by SANWA BANK CALIFORNIA and DANIEL H. RUSSELL (also known as DAN RUSSELL) and ROBERTA A. RUSSELL, was recorded September 2, 1988, in Book 318, Page 624, as File No. 155480, Official Records, Lander County, Nevada and in Book 183, Page 136, as File No. 121025, Official Records, Eureka County, Nevada.

An Agreement to modify the terms and provisions of said Deed of Trust as therein provided, executed by SANWA BANK CALIFORNIA and DANIEL H. RUSSELL (also known as DAN RUSSELL) and ROBERTA A. RUSSELL, was recorded February 17, 1989, in Book 328, Page 65, as File No. 159055, Official Records, Lander County, Nevada, and in Book 194, Page 209, as File No. 126456, Official Records, Eureka County, Nevada.

An Agreement to modify the terms and provisions of said Deed of Trust as therein provided, executed by SANWA BANK CALIFORNIA and DANIEL H. RUSSELL (also known as DAN RUSSELL) and ROBERTA A. RUSSELL, was recorded September 19, 1989, in Book 202, Page 595, as File No. 129615, Official Records, Eureka County, Nevada.

An Agreement to modify the terms and provisions of said Deed of Trust as therein provided, executed by SANWA BANK CALIFORNIA and

DANIEL H. RUSSELL (also known as DAN RUSSELL) and ROBERTA A. RUSSELL, was recorded September 19, 1989, in Book 336, Page 62, as File No. 161619, Official Records, Lander County, Nevada and in Book 203, Page 1, as File No. 129616, Official Records, Eureka County, Nevada.

An Agreement to modify the terms and provisions of said Deed of Trust as therein provided, executed by SANWA BANK CALIFORNIA and DANIEL H. RUSSELL (also known as DAN RUSSELL) and ROBERTA A. RUSSELL, was recorded May 18, 1990, in Book 345, Page 363, as File No. 164387, Official Records, Lander County, Nevada and in Book 210, Page 315, as File No. 132354, Official Records, Eureka County, Nevada.

An Agreement to modify the terms and provisions of said Deed of Trust as therein provided, executed by SANWA BANK CALIFORNIA and DANIEL H. RUSSELL (also known as DAN RUSSELL) and ROBERTA A. RUSSELL, was recorded October 5, 1990, in Book 351, Page 430, as File No. 166781, Official Records, Lander County, Nevada and in Book 214, Page 590, as File No. 133844, Official Records, Eureka County, Nevada.

An Agreement to modify the terms and provisions of said Deed of Trust as therein provided, executed by SANWA BANK CALIFORNIA and DANIEL H. RUSSELL (also known as DAN RUSSELL) and ROBERTA A. RUSSELL, was recorded July 19, 1991, in Book 360, Page 414, as File No. 169509, Official Records, Lander County, Nevada and in Book 224, Page 170, as File No. 137341, Official Records, Eureka County, Nevada.

An instrument which substitutes the Trustee in and to said Deed of Trust,
Dated
Recorded
November 25, 1992
December 16, 1992
in Book 390, Page 474, as Document No. 182948,
Official Records of Lander County, Nevada and
in Book 243, Page 36, as Document No. 143414
Official Records of Eureka County, Nevada.
New Trustee : T.D. SERVICE COMPANY

Notice of Default and Election to Sell, under the terms of the
above referenced Deed of Trust,
Dated:
November 25, 1992
December 16, 1992
in Book 390, Page 475, as Document No. 182949,
Official Records of Lander County, Nevada and
in Book 243, Page 37, as Document No. 143415,
Official Records of Eureka County, Nevada.

Continued on next page

The beneficial interest under said Deed of Trust was assigned by instrument,

Dated November 12, 1993

Recorded

December 2, 1993

Recorded

in Book 256, Page 539, as Document No. 147842, Official Records of Eureka County, Nevada and in Book 403, Page 438, as Document No. 187205, Official Records of Lander County, Nevada.

Assignee

MONFORT FINANCE COMPANY, INC., a Colorado corporation

17.

An oil and gas lease, dated May 6, 1988, executed by DANIEL H. RUSSELL and ROBERTA A. RUSSELL, husband and wife, as lessor, and GARY-WILLIAMS OIL PRODUCER, INC. as lessee, for the terms, covenants and conditions therein provided, recorded May 31, 1988

in Book 178, Page 70, File No. 118732, Official Records, Eureka County, Nevada.

The present ownership of said leasehold and other matters affecting the interest of the lessee are not shown in this Report/Policy.

Affects the following described land:

TOWNSHIP 20 NORTH, RANGE 49 EAST, M.D.B.&M.

Section 8: N1/2SE1/4;

Section 9: SW1/4;

Section 16: NE1/4NW1/4; NW1/4NE1/4;

TOWNSHIP 21 NORTH, RANGE 48 EAST, M.D.B.&M.

Section 35: NE1/4SW1/4; NW1/4SE1/4;

TOWNSHIP 22 NORTH, RANGE 48 EAST, M.D.B.&M.

Section 36: Lots 1, 2, 3, NW1/4SE1/4;

A Ratification and Rental Division Order dated May 6, 1988, executed by THOMAS S. VAN HORNE, ATTORNEY-IN-FACT for DANIEL H. RUSSELL and THOMAS S. VAN HORNE, ATTORNEY-IN-FACT for ROBERT A. RUSSELL, was recorded June 12, 1989, in Book 197, Page 274, as File No. 17349, Official Records, Eureka County, Nevada.

18.

A Financing Statement, securing the terms and conditions contained therein, executed by DANIEL H. RUSSELL, ROBERTA A. RUSSELL and Secured Party : SANWA BANK CALIFORNIA

Recorded May 21, 1990

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Continued on next page

: In Book 345, Page 427, as File No. 164394,
: Official Records of Lander County, Nevada.

The secured interest under said Financing Statement was

assigned by instrument,

: Recorded
: December 27, 1993
: In Book 403, Page 440, as File No. 187206,
: Official Records of Lander County, Nevada.

Assignee

: MONFORT FINANCE COMPANY, INC.

19. A deed of trust to secure an indebtedness in the original amount
stated herein, and/or other obligations secured thereby,

: May 15, 1992

: \$22,841,495.82

: DANIEL H. RUSSELL and ROBERTA A. RUSSELL,

: Husband and wife

: COM COUNTY TITLE CO., a Nevada corporation

: MONFORT FINANCE COMPANY, INC.

: May 28, 1992

: In Book 374, Page 22, as Document No. 175177,

: Official Records of Lander County, Nevada and

: In Book 234, Page 512, as File No. 140887,

: Official Records, Eureka County, Nevada.

The holder of this note/indebtedness should be contacted for
all pertinent information.

20. A judgment entered in the Superior Court of the State of

Arizona, in and for the County of Maricopa.

: DANIEL H. RUSSELL

: \$5,204.90

: In favor of : TEXOMA CATTLE FEEDERS, an Arizona general

Recorded

: June 1, 1992

: In Book 234, Page 528, as Document No. 140892,

: Official Records of Eureka County, Nevada.

21. An Abstract of Judgement for \$1,989,109.48 and any other amounts
due thereunder, against DANIEL H. RUSSELL, ROBERTA A. RUSSELL,
DANIEL H. and ROBERTA A. RUSSELL REVOCABLE TRUST, DANIEL H.
RUSSELL dba RUSSELL RANCHES and RUSSELL LAND & CATTLE COMPANY, in
favor of LINDA J. CATLETT, GAIL PHILLIPS and DIANE RUSSELL,
recorded February 19, 1993, in Book 245, Page 241, Official
Records, Eureka County and recorded March 11, 1993, in Book 392,
Page 288, Official Records, Lander County, Nevada.

22. A Financing Statement, securing the terms and conditions

contained therein,

: Executed by : DANIEL H. RUSSELL and ROBERTA A. RUSSELL

: Secured party : MONFORT FINANCE COMPANY, INC.

Recorded

: March 18, 1994

: In Book 406, Page 516, as File No. 188292,

: Official Records of Lander County, Nevada.

Continued on next page

23. A financing statement, securing the terms and conditions

contained therein,

Executed by : RUSSELL LAND & CATTLE COMPANY

Secured party : MONFORT FINANCE COMPANY, INC.

Recorded

: March 18, 1994

: In Book 406, Page 522, as File No. 188293,

: Official Records of Lander County, Nevada.

24. The requirement that the following documents appearing of record

in the office of the County Recorder of Eureka, be recorded in

the office of the County Recorder of Lander County, Nevada.

a) Patent dated July 9, 1929, executed by THE UNITED STATES OF

AMERICA to MARTIN FERGUSON, recorded July 29, 1929 in Book 20,

Page 383, Deed Records.

b) Deed dated October 14, 1941, executed by MARTIN FERGUSON to

HERTRAND ARAMBEL recorded October 21, 1941, in Book 22, Page

247, Deed Records.

c) Deed dated October 17, 1944, executed by HERTRAND ARAMBEL to

PETE RTCHVEERRY recorded October 18, 1944, in Book 22, Page 480,

Deed Records.

d) Deed dated August 26, 1957, executed by PETE RTCHVEERRY and

CATHERINE RTCHVEERRY to PETE RTCHVEERRY and CATHERINE

RTCHVEERRY, Husband and Wife as Joint Tenants, recorded

September 26, 1957, in Book 25, Page 183, Deed Records.

25. The effect of bankruptcy proceedings filed by or on behalf of

DANIEL H. RUSSELL.

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BOOK 277 PAGE 096

OFFICIAL RECORDS

RECORDED AT THE REQUEST OF

Stewart G. G.

94 OCT -6 PM 2:00

EUREKA COUNTY NEVADA

M.N. REBALCATTI, RECORDER

FILE NO.

FEES 22.00

155423

BOOK 277 PAGE 111