

Lincoln County

Relevant Survey, County Nevada Property is described on pages 10 through 13, inclusive

RECORDED AT THE REQUEST OF,
AND AFTER RECORDING RETURN TO:

Western Farm Credit Bank
3636 American River Drive
P.O. Box 1306
Sacramento, California 95813-4106

Loan Nos. 233831-9 and _____

NOTICE OF RESTRUCTURING OF LOAN
SECURED BY DEED OF TRUST

THE UNDERSIGNED, BRYAN K. HAFEN, also known as BRYAN K. HAFEN, BRYAN HAFEN and/or BRIAN HAFEN, and DAWN N. HAFEN, his wife (collectively the "Hafens"); BRYAN K. HAFEN, DOUGLAS M. HAFEN and GARY HAFEN, as the sole successor co-trustees (the "Hafen Trustees") under that certain "Trust Agreement" (the "Hafen Trust Agreement") that is dated 13 April 1968 and that was executed by Maxwell Hafen and Estelle Bowler Hafen, his wife, as trustors, and Maxwell Hafen, as trustee; and DOUGLAS M. HAFEN and ANN L. HAFEN, his wife, and GARY B. HAFEN and MONTA HAFEN, his wife (collectively the "Mesquite Beneficiaries") (the Hafens and the Hafen Trustees being collectively referred to herein as "Borrower" and Borrower and the Mesquite Beneficiaries being referred to herein collectively as "Grantor") are the present owners of one or more of those certain parcels of real property (the "Property") that remain encumbered by that certain "State of Nevada Federal Land Bank of Sacramento Deed of Trust" (the "Trust Deed") that is dated 13 October 1981; that was executed by Borrower, as grantor, in favor of Federal Land Bank of Sacramento ("FLB"), as trustee, for the benefit of FLB, as beneficiary; and that was executed in duplicate originals, one of which was recorded 20 November 1981 as document no. 1449446 in book 149 of the official records of Clark County, Nevada and the other of which was recorded in book 47, page 352 of the official records of Lincoln County, Nevada. This notice (the "Notice") is subject to the following terms and conditions:

1. Trust Deed. The Trust Deed relates to the following:

1.1. Property. The parcels comprising the Property are located variously in Clark County, Nevada and

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Lincoln County, Nevada and are described more particularly on exhibit A that is attached to this Notice and that is incorporated herein by reference.

1.2. Transfer of Property Parcels. At the time that the Trust Deed was executed and delivered, certain parcels of the Property were owned by the Hafen Trustees. Prior to the date of this Notice, all or part of such parcels have been conveyed by the Hafen Trustees either to the Hafens or to the Mesquite Beneficiaries, who took title to such parcels subject to the Trust Deed.

1.2. Original Note. The Trust Deed was given to secure (a) the payment of \$2,671,800 with interest as prescribed in a promissory note (the "Original Note") that was executed by the Hafens, Maxwell Hafen and the Hafen Trustees in favor of FLB and that was dated 13 October 1981 and (b) other obligations of Grantor that are recited in the Trust Deed.

1.3. Other Secured Obligations. The Trust Deed provides in part that it is also given to secure (a) any additional money FLB loans to Borrower or any of them as advances under the Trust Deed and (b) all renewals, reamortizations and extensions of the indebtedness evidenced by the Original Note.

2. Additional Advance. NOTICE IS HEREBY GIVEN that pursuant to a "Loan Restructure and Amending Loan Agreement" (the "Amending Loan Agreement") executed by Borrower and others, as borrower, and WESTERN FARM CREDIT BANK ("Bank"), a corporation that is the successor-in-interest to FLB, a corporation, the sum of \$268,194.12 has been added to the unmatured principal balance of the indebtedness (the "Loan") that is secured by the Trust Deed. The total amount owing to Bank on the Loan, the payment terms of which have been restructured by the Amending Loan Agreement, is hereby acknowledged by the undersigned to be secured by the Trust Deed pursuant to the provisions recited in the Trust Deed. The foregoing addition represents, among other things, (a) accrued interest on the Original Note; (b) advances by Bank under the Trust Deed and other Loan documents to protect Bank's security; and (c) the unpaid balance of a promissory note (the "Additional Note") that was in the original principal amount of \$123,200, that was dated 13 October 1981 and that was executed by the Hafens, Maxwell Hafen and the Hafen Trustees in favor of FLB.

3. Amount Presently Secured. FURTHER NOTICE IS GIVEN that the sum of the balance owing on the Loan secured by the Trust Deed, plus all subsequent advances, outlays, charges imposed as a condition of the restructure above referred to,

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and interest accrued thereon, to 1 June 1989, totals \$2,939,994.12. The obligation of Borrower and others to pay Bank such amount is evidenced by the following notes (collectively the "Restructure Notes"): (a) a "Renewal Promissory Note" that is dated 1 June 1989, that is in the original principal amount of \$1,474,230, that is executed by the Hafens, the Hafen Trustees and Hafen Dairy, Inc. ("Hafen Dairy"), as maker, in favor of Bank, as holder, and that is identified in Bank's records as loan no. 233831-9 and (b) a "Renewal Promissory Note" that is dated 1 June 1989, that is in the original principal amount of \$1,465,764.12, that is executed by the Hafens, the Hafen Trustees and Hafen Dairy, as maker, in favor of Bank, as holder, and that is identified in Bank's records as loan no. . . . The Restructure Notes (y) are renewals and extensions of (and are not payments of) the Original Note, the Additional Note and other indebtedness that are owed by the Hafens, the Hafen Trustees and/or Hafen Dairy to Bank and (z) are secured by the Trust Deed as such renewals and as additional advances.

4. Reaffirmation of Trust Deed. Grantor hereby reaffirms the provisions of the Trust Deed and the lien of the Trust Deed on the Property, which Trust Deed remains unchanged (except as set forth herein) and in full force and effect. The Trust Deed secures the Original Note, the Additional Note, the Restructure Notes and all other obligations that are described in the Trust Deed (including, but not limited to, all renewals, reamortizations and extensions of the Restructure Notes). By executing this Notice, neither Grantor nor any guarantor, maker or accommodation party of the obligations that are owed by Borrower and others to Bank are released, but instead all of such parties remain fully obligated for all of such obligations.

5. Reliance by Bank Upon Mesquite Beneficiaries Execution and Delivery of Notice. In order to induce Bank to restructure the loan and accept delivery of the Restructure Notes from Borrower to Bank, the Mesquite Beneficiaries hereby represent, acknowledge and agree as follows:

5.1. Beneficiaries' Property. In this Notice the term "Beneficiaries' Property" shall mean those parcels of the Property and all water rights, rents, easements and other interests benefitting such Property (as described in the second and fifth unnumbered paragraphs of page 1 of the Trust Deed or other provisions of the Trust Deed) that the Mesquite Beneficiaries own or have the right to acquire as of the date of this Notice; including, but not limited to, shares of stock in The Mesquite Irrigation Company that are owned or that are being acquired by the Mesquite Beneficiaries.

5.2. Encumbrance. The Mesquite Beneficiaries acknowledge that the Beneficiaries' Property is fully encumbered by the Trust Deed and that the Mesquite Beneficiaries have no defenses against the Trust Deed (or if they have such defenses they hereby waive the same).

5.3. Security for Restructure Notes. The Mesquite Beneficiaries hereby subject the Beneficiaries' Property to the lien of the Trust Deed for the purpose of securing (a) the Restructure Notes, (b) all other obligations of one or more of Borrower or Hafen Dairy, Inc. ("Hafen Dairy") (or their successors-in-interest) to Bank or its successors-in-interest and (c) all other obligations that are secured by the Trust Deed, including, but not limited to, any additional money that Bank or its successors-in-interest might hereafter loan to Borrower, Hafen Dairy, their successors or any of them (all such obligations being referred to herein collectively as the "Secured Obligations").

5.4. Acknowledgment of Risk. The Mesquite Beneficiaries hereby acknowledge that if the Restructure Notes or any other Secured Obligations are in default, then Bank shall have the right to foreclose its security interest in the Property and other collateral for the Loan, whereby the Mesquite Beneficiaries would lose all of their right, title and interest in and to the Beneficiaries' Property.

5.5. Information Regarding Borrower's Financial Condition. The Mesquite Beneficiaries assume the responsibility for being and keeping themselves informed about the financial condition of Borrower and of all other circumstances bearing upon the risk to the Mesquite Beneficiaries of Borrower's nonpayment and nonperformance of any of the Secured Obligations which a diligent inquiry would reveal. Bank shall have no obligation to advise the Mesquite Beneficiaries of any information relating to Borrower's financial condition, and Bank shall have no obligation to inform the Mesquite Beneficiaries regarding the status of the Secured Obligations.

5.6. Consent. Without affecting the lien of the Trust Deed against the Beneficiaries' Property, the Mesquite Beneficiaries hereby consent that Bank may (a) exchange or compromise with, or release or surrender to, Borrower or any pledgor or grantor any collateral for the Secured Obligations; waive, release or subordinate in whole or in part, any rights in the Property; or otherwise deal with such security or rights in any manner that Bank deems necessary; (b) waive or delay the exercise of any of its rights and remedies against Borrower; (c) renew, extend, accelerate or modify the time for payment of, or otherwise the terms of, any of the Secured Obligations

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or any instrument or agreement evidencing the same; (d) apply any payment by Borrower or the Mesquite Beneficiaries to any part or all of the Secured Obligations in such order as Bank, in its sole discretion, may determine; and (e) apply security for the Secured Obligations and direct the order or manner of sale thereof as Bank, in its sole discretion may determine.

5.7. Bank's Reliance. The Mesquite Beneficiaries acknowledge that Bank would not restructure the Loan and accept delivery of the Restructure Notes were it not for the Mesquite Beneficiaries' execution and delivery of this Notice. A material inducement for Bank to enter into the Loan restructure is Bank's right to enforce its remedies against the Beneficiaries' Property and its other remedies under the Trust Deed.

5.8. Independent Representation. The Mesquite Beneficiaries acknowledge that this Notice has been specifically negotiated with Bank and that the Mesquite Beneficiaries have had the opportunity to consult with counsel of their choice prior to entering into this Notice.

5.9. Review of Loan Documents. The Mesquite Beneficiaries acknowledge that they have had the opportunity to review all of the documents evidencing or securing the Loan and the restructure of the Loan, including, but not limited to, the Restructure Notes.

6. Limitation of Liability. Subject to the provisions of this paragraph, the personal liability of the Mesquite Beneficiaries with respect to amounts that are secured by the Trust Deed, as amended, shall be limited to (a) the Mesquite Beneficiaries' interest in the Beneficiaries' Property; (b) any other personal property or collateral that is owned by one or more of the Mesquite Beneficiaries and that is encumbered by the Trust Deed, a security agreement (the "Security Agreement") of even date herewith or other security instruments; and (c) the rents, profits, issues, products and income of (i) the Beneficiaries' Property, including any received or collected by or on behalf of the Mesquite Beneficiaries after an event of default with respect to amounts secured by the Trust Deed, or (ii) other collateral that is owned by one or more of the Mesquite Beneficiaries and that is encumbered by security instruments in favor of Bank or its predecessor-in-interest. This paragraph is subject to the following terms and conditions:

6.1. Limitation on Judgments. Except as provided in this paragraph 6, Bank shall not seek against the Mesquite Beneficiaries or their heirs, legal representatives,

successors or assigns (a) any judgment for deficiency in any action to enforce any right or remedy under the Restructure Notes or the Trust Deed or (b) any judgment on the Restructure Notes except as may be necessary in any action brought under the Trust Deed to enforce the lien against the Beneficiaries' Property or under any other security instruments to enforce security interests against other collateral in which Bank is granted a security interest by the Mesquite Beneficiaries.

6.2. Personal Liability in Limited Circumstances. Each Mesquite Beneficiary shall be personally liable in the amount of any loss, damage or cost to Bank, or its successors-in-interest, resulting from (a) fraud or intentional misrepresentation by the Mesquite Beneficiaries in connection with restructuring the Loan; (b) insurance proceeds, condemnation awards or other sums or payments attributable to the Beneficiaries' Property not being applied in accordance with the provisions of the Trust Deed, except to the extent that the Mesquite Beneficiaries did not have the legal right, because of a bankruptcy, receivership or similar judicial proceeding, to direct the disbursement of such sums or payments; and (c) rents, profits, issues, products and income of the Beneficiaries' Property received following any event of default under the Restructure Notes or the Trust Deed not being applied to (i) payment of principal and interest due under the Restructure Notes (including any amounts received or collected by or on behalf of the Mesquite Beneficiaries after an event of default, except to the extent that the Mesquite Beneficiaries did not have the legal right, because of a bankruptcy, receivership or similar judicial proceeding, to direct the disbursement of such sums) and (ii) payments of utilities, taxes and assessments and insurance on the Beneficiaries' Property, as they become due or payable, and other reasonable and necessary costs of operating and maintaining the Beneficiaries' Property in amounts not exceeding those set forth in operating and maintenance budgets for the Beneficiaries' Property previously submitted to and approved by Bank.

6.3. No Impairment of Other Rights. No provision of this paragraph 6 shall (a) affect any guaranty or similar agreement executed in connection with the debt evidenced by the Restructure Notes; (b) release or reduce the debt evidenced by the Restructure Notes; (c) impair the lien of the Trust Deed; (d) impair or affect the security interest granted to Bank under the Security Agreement; or (e) impair or otherwise affect the rights of Bank to draw upon and apply any other funds or property of Borrower or the Mesquite Beneficiaries or pertaining to the Property that are held by Bank to the obligations of Borrower under the Restructure Notes, the Security Agreement, the Trust Deed or the Amending Loan Agreement.

6.4. Full Liability of Borrower. Nothing that is contained in this paragraph 6 shall limit, release or effect the liability of Borrower (as opposed to the Mesquite Beneficiaries) under the Restructure Notes, the Trust Deed, the Security Agreement, the Amending Loan Agreement and documents that further evidence or secure Borrower's obligations under the Restructure Notes, all of which liabilities and obligations Borrower shall be liable for.

6.5. Joint and Several Liability. The Mesquite Beneficiaries shall be jointly and severally bound by all of the terms of this Notice.

7. Duplicate Originals. This Notice may be executed in as many duplicate originals as shall be required for recording purposes.

DATED this 22 day of July 1989.

Bryan K Hafen
BRYAN K. HAFEN, a/k/a/ BRIAN K.
HAFEN, BRYAN HAFEN and/or
BRIAN HAFEN

Dawn N. Hafen
DAWN N. HAFEN

Douglas M. Hafen
DOUGLAS M. HAFEN

Ann L. Hafen
ANN L. HAFEN

Gary B. Hafen
GARY B. HAFEN

Monta Hafen
MONTA HAFEN

Lincoln County

ADDITIONAL SIGNATURE PAGE TO
NOTICE OF RESTRUCTURING OF LOAN
SECURED BY DEED OF TRUST

Bryan K Hafen

BRYAN K. HAFEN
as one of three sole successor
co-trustees under that certain
Trust Agreement that is dated 13
April 1968 and that was executed
by Maxwell Hafen and Estelle
Bowler Hafen, as trustors, and
Maxwell Hafen, as trustee

Douglas M. Hafen

DOUGLAS M. HAFEN
as one of three sole successor
co-trustees under that certain
Trust Agreement that is dated 13
April 1968 and that was executed
by Maxwell Hafen and Estelle
Bowler Hafen, as trustors, and
Maxwell Hafen, as trustee

Gary Hafen

GARY HAFEN
as one of three sole successor
co-trustees under that certain
Trust Agreement that is dated 13
April 1968 and that was executed
by Maxwell Hafen and Estelle
Bowler Hafen, as trustors, and
Maxwell Hafen, as trustee

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STATE OF NEVADA)
 : ss.
COUNTY OF CLARK)

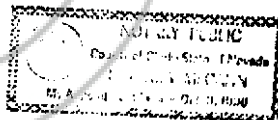
On the 21st day of July, 1989 before the under-
signed, a notary public in and for said county and state,
personally appeared BRYAN K. HAFEN, individually and as one of
the three Hafen Trustees (as described above); DAWN N. HAFEN;
DOUGLAS M. HAFEN, individually and as one of the three Hafen
Trustees (as described above); ANN L. HAFEN; GARY B. HAFEN,
individually and as one of the three Hafen Trustees (as
described above); and MONTA HAFEN, known to me to be the
persons described in and who executed the foregoing instrument,
who acknowledged to me that they executed the same freely and
voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and
affixed my official seal the day and year in the certificate
first above written.

Arthur J. Noles
Notary Public in and for
Clark County, State of Nevada

My Commission Will Expire:

October 3, 1990
RHTD1206



Lincoln County

EXHIBIT "A"

LEGAL DESCRIPTION

Situate in the County of Lincoln, State of Nevada, described as follows:

All of the following described land lying within Township 5 South, Range 60 East, M.D.B. & M.:

1. The South Half (S 1/2) of the Southeast Quarter (SE 1/4) of Section 14;
2. The Northeast Quarter (NE 1/4); the North Half (N 1/2) of the Southeast Quarter (SE 1/4); the Southeast Quarter (SE 1/4) of the Southeast Quarter (SE 1/4) of Section 23;
3. The West Half (W 1/2) of the Southwest Quarter (SW 1/4); the Southwest Quarter (SW 1/4) of the Northwest Quarter (NW 1/4) of Section 24;
4. The Northwest Quarter (NW 1/4) of the Northwest Quarter (NW 1/4) of Section 25;
5. The Northeast Quarter (NE 1/4) of the Northeast Quarter (NE 1/4) of Section 26;
6. The Southeast Quarter (SE 1/4) of the Northwest Quarter (NW 1/4); the Northeast Quarter (NE 1/4) of the Southwest Quarter (SW 1/4); the Southwest Quarter (SW 1/4) of the Northeast Quarter (NE 1/4); the North Half (N 1/2) of the Southeast Quarter (SE 1/4) of Section 36;
7. The South Half (S 1/2) of the Northwest Quarter (NW 1/4); the Northeast Quarter (NE 1/4) of the Northwest Quarter (NW 1/4); the West Half (W 1/2) of the Southeast Quarter (SE 1/4) of Section 25;
8. The North Half (N 1/2) of the Northwest Quarter (NW 1/4); the Northwest Quarter (NW 1/4) of the Northeast Quarter (NE 1/4) of Section 36;
9. The Southeast Quarter (SE 1/4) of the Northeast Quarter (NE 1/4) of Section 10;
10. The Southwest Quarter (SW 1/4) of the Northwest Quarter (NW 1/4) of Section 11; and
11. The Southwest Quarter (SW 1/4) of Section 25.

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EXCEPTING FROM the above Parcels 1, 2, 3, 6, 7 and 8, the interest in and to that portion as conveyed to the State of Nevada for road purposes by Deed recorded July 24, 1969 in Book N-1 of Real Estate Deeds, page 417, Lincoln County, Nevada.

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PAGE 3 OF EXHIBIT A TO
"NOTICE OF RESTRUCTURING OF LAND SECURED
BY DEED OF TRUST" ("NOTICE")
EXECUTED BY BRYAN K. HAFEN, AND OTHERS, AS GRANTOR,
IN FAVOR OF WESTERN FARM CREDIT BANK,
AS TRUSTEE AND BENEFICIARY

The "Property" that is described in the Notice includes, in addition to the parcels of real property, all water rights, rents, easements and other interests benefiting such parcels of real Property (as described in the 2nd and 5th unnumbered paragraphs of page 1 of the Trust Deed, page 15 of exhibit A to the Trust Deed and other provisions of the Trust Deed), including, without limitation, the right to divert water from Crystal Springs for the irrigation of 780 acres of the Property as allotted to G. W. Thiriot on Page 6 and A. W. Greer on Page 10 of the Order of Determination in "The Matter of the Determination of the Relative Rights of the Claimants and Appropriators of the Waters of Pahrangat Lake and its Tributaries," filed by the State Engineer with the Tenth Judicial District Court of the State of Nevada, in and for the County of Lincoln, October 14, 1929, as such right might be evidenced by Proof Nos. 01548 and 01825 on file with the Nevada Department of Conservation and Natural Resources, Division of Water Resources, or otherwise.

RHTD 1226

92740

FILED AND RECORDED AT REQUEST OF
Dominick Belingheri

September 19, 1989

AT 30 MINUTES PAST 9 O'CLOCK

AFTERNOON OF OFFICE

RECORDS, PAGE 210 LINCOLN

COUNTY, NEVADA.

FRANK C. HULSE

COUNTY RECORDER

By *Richard J. Ghera*, Deputy