

8'
RECORDING REQUESTED BY:)
)
BANK OF THE WEST)
)
San Jose Business Banking Office)
)
✓ WHEN RECORDED MAIL TO:)
BANK OF THE WEST)
Legal Department #2-508-2)
P.O. Box 1000)
San Jose, CA 95108)

SPACE ABOVE THIS LINE FOR
RECORDER'S USE ONLY

NOTE EXTENSION AGREEMENT

THIS NOTE EXTENSION AGREEMENT ("Agreement") is made and entered into by and between BANK OF THE WEST ("Bank") and JAMES S. TORESON ("Borrower").

WHEREAS, Borrower has executed and delivered to Bank that certain Secured Promissory Note in the original principal amount of Five Million and No Cents Dollars (\$5,000,000.00) payable to the order of Bank dated June 21, 1985, last amended pursuant to that certain Note Extension Agreement by and between Bank and Borrower dated January 29, 1987, recorded on February 6, 1987, as Instrument No. 149611 in Book 287 at Page 591 in Official Records of Douglas County, Nevada (collectively the "Note"); and

WHEREAS, the Note is secured pursuant to the terms of a deed of trust dated June 21, 1985, covering property commonly known as 560 Old Easement Road, Marla Bay, Douglas County, Nevada, recorded as Instrument No. 119163 in Volume 685, Page 2120, of the Official Records of the County of Douglas, State of Nevada, more particularly described on Exhibit "A" hereto ("Deed of Trust"); a Stock Pledge Agreement of even date therewith ("Pledge"); and Preferred Ship Mortgage of even date therewith ("Ship Mortgage") (the Deed of Trust, Pledge and Ship Mortgage being hereinafter collectively referred to as the "Security Agreements"); and

WHEREAS, Borrower has requested (and Bank has agreed, subject to the terms and conditions hereof) to modify and restate the terms of the Note and provide for its repayment as hereinafter set forth;

1.

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NOW, THEREFORE, FOR VALUABLE CONSIDERATION, the sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. Borrower agrees and acknowledges that there is outstanding and unpaid under the Note the principal balance of Four million three hundred forty thousand four hundred Dollars (\$4,340,436.87) and accrued interest in the amount of and thirty-six 87 Nineteen thousand six hundred and Dollars (\$19,622.39) twenty-two 39/100. 100

2. Interest on the unpaid principal balance of the Note shall accrue at Bank's Prime Rate (as defined in the Note) and shall be payable monthly on the first day of each month, commencing April 1, 1987, and if not so paid shall become part of the principal, at the option of the holder.

3. On June 8, 1987, the principal balance under the Note remaining unpaid on such date, together with any and all accrued and unpaid interest thereon, shall be paid in full.

4. Borrower agrees and acknowledges that Borrower's obligations under the Note are due and payable in accordance with the terms of the Note as modified hereby and are secured pursuant to the terms of the Security Agreements.

5. This Agreement is a revision only, and not a novation; and except as herein provided, all of the terms and conditions of the Note and the Security Agreements remain in full force and effect.

Dated this 29th day of APRIL, 1987
at Carson City, State of Nevada.

"Borrower"
James S. Toreson
JAMES S. TORESON

Accepted:

"Bank"

STATE OF NEVADA
COUNTY OF CARSON

BANK OF THE WEST

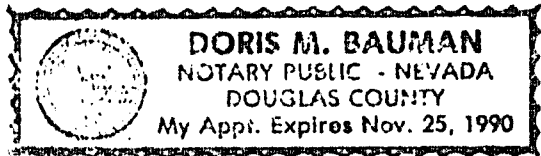
By *William E. ...*
Its *Vice President*

On this 29th day of April, 1987, personally appeared before me, a Notary Public, JAMES S. TORESON, known to me to be the person signing the above document.

Date May 8, 1987

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Doris M. Bauman
Doris Bauman



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All that real property situate in the Northwest one-quarter of Section 15, Township 13 North, Range 18 East, M.D.B. & M., Douglas County, Nevada described as follows:

Commencing at the Southwest corner of Pinewild Unit No. 2, recorded October 23, 1973, Document No. 69660, said corner being the Meander Corner between Sections 15 and 16; thence South 19°20'04" East 617.86 feet to the TRUE POINT OF BEGINNING; thence North 57°19'38" East 293.29 feet; thence North 60°55'42" East 85.00 feet; thence South 72°07'31" East 339.19 feet; thence South 27°07'31" East 327.55 feet; thence South 63°19'34" West 77.18 feet; thence South 66°50'39" West 251.22 feet; thence South 82°59'08" West 175.26 feet; thence North 73°27'54" West 250.26 feet to a point on the 1861 Meander Line of Lake Tahoe; thence along said line North 12 00' West 137.30 feet; thence North 19°20'04" West 153.99 feet to the POINT OF BEGINNING.

Together with all that land lying Westerly of the above described Meander Line to the low water line at elevation 6223 feet, Lake Tahoe Datum, in accordance with NRS 321.595.

Said land more fully shown as Parcel "B" as set forth on that certain Record of Survey filed in the Office of the County Recorder of Douglas County, Nevada, on November 15, 1983, as Document No. 01003.

A.P.N. 5-220-13

STATE OF CALIFORNIA

State of California,
County of Santa Clara, } ss.

On this 10th day of June, in the year 1987, before me, Sandra L. Maxwell, a Notary Public in and for the Santa Clara County of Santa Clara, State of California, personally appeared William E. Linn, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument as President (or Secretary) or on behalf of the corporation therein named and acknowledged to me that the corporation executed it.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my Official Seal in the Santa Clara County of the State of California the day and year in this certificate first above written

Notary Public in and for the State of California.

County of the

Sandra L. Maxwell
Notary Public's Signature



FORM 030-4302

(Acknowledgement--Corporation).

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COPY

REQUESTED BY
Bank of the West
IN OFFICIAL RECORDS OF
DOUGLAS CO. NEVADA

'87 JUN 26 AIO:24

SUZANNE BEAUDREAU
RECORDER

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