

George Hilliard and)
 Marguerite Hilliard,)
 his wife,)
 to) AGREEMENT
 Joseph E. Key, and)
 Leonard E. Hopkins.)

A G R E E M E N T

THIS AGREEMENT made and entered into this 14th day of September, 1954, by and between GEORGE HILLIARD and MARGUERITTE HILLIARD, in her own right and as wife of said George Hilliard, of Yuma Arizona, hereinafter called Sellers, Parties of the First Part and JOSEPH E. KEY, of Reno, Nevada and LEONARD E. HOPKINS, of Wells, Nevada, hereinafter called Buyers, Parties of the second Part,

W I T N E S S E T H:

RECITALS:

I Sellers represent that:

REAL PROPERTY

Sellers own and are in the exclusive possession and entitled to the exclusive possession of the following described real property:

That certain ranch situated in the County of Eureka, State of Nevada, commonly known and referred to as the Romano Ranch, consisting of approximately 1,500 acres, which ranch was formerly owned by A. C. Florio, now deceased.

Sellers have good and marketable title to the Romano Ranch property subject only to:

- (a) a mortgage in favor of Mrs. A. C. Florio in the principal sum of \$55,000.00. This mortgage is payable in ten equal installments commencing May 1, 1955 and bears interest at the rate of 5% per annum. The interest is payable on the installment dates.
- (b) A mineral reservation to Sellers' Grantor covering an undivided one-half interest in and to all oil, gas and other minerals in and underlying said property.

WATER RIGHTS

This sale includes all water, water rights, water applications, water permits or privileges, connected with, belonging, appurtenant or incident to said Romano Ranch or used in connection with all or any part of said premises together with all stock-watering rights, privileges and permits. Said water rights include, but are not limited to, 19 artesian wells located on said property, and an undetermined portion of 30 water holes located on the Federal Range. A portion of said water holes belongs and is appurtenant to the Romano Ranch and the remaining portion thereof belongs and is appurtenant to the Hay Ranch hereinafter referred to. As to said artesian wells, the Sellers have good and marketable title to such

wells and the right to the exclusive use and enjoyment of all of the water therefrom. As to said water holes, the Sellers have the right of access to them and to the exclusive use and enjoyment of the water holes with the exception of use made by drift cattle and other cattle using the same range in common. Two of said water holes connected with the Hay Ranch are presently involved in dispute.

LEASE

A certain lease made and entered into between Mrs. A. C. Florio, guardian of the estate of Carol Florio, a minor, as Lessor and George Hilliard and Margueritte Hilliard, as Lessees, covering a certain ranch commonly known as the "Hay Ranch", which property formerly belonged to A. C. Florio. Said ranch consists of approximately 1,000 acres and is situated in Eureka County, State of Nevada.

The lease is for a period of 8 years with the term commencing May 1, 1954 and ending April 30, 1962. The lease provides for an annual rental of \$3,000.00 payable in advance on May 1 of each year. Lessee is also required to pay as part of the rental the general property taxes assessed against the land and improvements. The lease of the Hay Ranch is in good standing and is not in default in any of its terms or conditions.

Said lease provides that in the event of the sale of the property during the term of the lease, the lessee has the first right to buy the property for the amount and upon the terms offered by any third party. It is also provided that any sale or other disposition of the property during the term of the lease shall be expressly subject to the lease.

TAYLOR GRAZING RIGHTS

Sellers have and are entitled to a grazing license issued in the names of the sellers by the Bureau of Land Management, under which license the sellers have the right and privilege of grazing in common approximately 1,130 head of cattle and 50 head of horses on the Federal Range, for a period of 10 months each grazing year with 100 per cent Federal Range use.

A portion of said grazing license is based upon the Romano Ranch, water and water rights and a portion thereof on the leased Hay Ranch, water and water rights.

At least one-half of said Federal Range rights and privileges are based upon the past use and enjoyment of the Romano Ranch, water and water rights and said Ranch, water and water rights are entitled to Federal Range rights and privileges to such extent.

LIVESTOCK

Sellers own and have on the range at least 1,500 head of cattle as follows:

- 750 head, more or less, of stock cows
- 200 head, more or less, of yearlings, mixed
- 500 head, more or less, of calves
- 17 head, more or less, of two year old steers and cows
- 33 head, more or less, of bulls

All of said livestock are branded with Sellers' brand "D bar" ("D") and are free and clear of all liens and encumbrances except a mortgage from Sellers to Farmers' Home Administration in the principal sum of \$140,000.00 plus accrued interest to date. This mortgage is payable in three installments as follows:

\$70,000.00	March 1, 1955
\$35,000.00	March 1, 1956
\$35,000.00	March 1, 1957

Interest is at the rate of 5% and is due and payable on the installment dates.

The mortgage is in good standing and is not in default in any manner or particular.

HORSES

Sellers own approximately 30 head of horses consisting of work horses, saddle horses and colts. In addition, there are 6 horses on the ranches at this time belonging to Mrs. A. C. Florio. These 6 horses are not included in the sale.

EQUIPMENT

Sellers own, free and clear of all encumbrances, farm implements and equipment more particularly described in Schedule "A" attached hereto and by reference made a part hereof. This equipment is now located on and about the Romano Ranch and Hay Ranch.

HAY, GRAIN AND SALT

Sellers own all hay cut and stacked on and about the Hay Ranch and Romano Ranch. This sale includes said hay and all hay stacked on the Federal Range belonging to Sellers and all grain, salt and other miscellaneous feed now on said ranches.

BRANDS

The Sellers own the brand designated as "D" bar ("D"). This Contract includes any and all other active brands of the Sellers, formerly belonging to the A. C. Florio Ranch.

II Buyers represent that:

Buyer, Joseph B. Key, owns and has good marketable title and exclusive possession of

and the right to exclusive possession of an improved property in Reno, Washoe County, Nevada, commonly known and designated as 55 Grove Street, subject only to

- (a) a mortgage in favor of First National Bank of Nevada, South Virginia Branch, Reno, Nevada, in the sum of \$8,000.00, which mortgage bears interest at the rate of 6% per annum, and
- (b) A lease to the Thermomatic Refrigeration Company for a term of 5 years, commencing as of June 1, or July 1, 1954. The rental is \$500.00 per month for the first two years of the lease, \$266.67 per month for the second two years of the lease and \$266.66 per month for the fifth and final year of the lease. Lessor pays the taxes under this lease and lessee pays all maintenance costs.

The buyers have discussed this sale and purchase agreement with the wife of buyer Joseph B. Key. Said wife has approved the terms and conditions of this Agreement, and has agreed to execute any formality or formalities necessary to bind to the Agreement any interest which she has or may have in the said 55 Grove Street property.

For the purpose of this Contract, said 55 Grove Street property is valued at \$50,000.00.

Buyer Leonard E. Hopkins owns a ranch at Wells, Nevada, commonly known and referred to as the Hopkins Ranch.

III General:

In bringing the parties together and in negotiating the sale and purchase, a real estate commission has been incurred. This real estate commission is in the sum of \$5,000.00 and is owed to Ray P. Smith of Reno, Nevada.

NOW, THEREFORE, for and in consideration of the sum of \$250,000.00 payable according to the terms and in the manner hereinafter set out, the Sellers agree to sell and Buyers agree to purchase said Romano Ranch property, an undivided one-half interest in and to oil, gas and other minerals in and underlying said Romano Ranch property, water rights, Hay Ranch lease, Taylor Grazing Rights, Livestock, Horses, Equipment, Hay, Grain, and Salt, and Brands belonging to Sellers and hereinabove particularly described in Recital I.

Payment of the purchase price shall be made by Buyers in the following manner, to-wit:

- | | | |
|----------|---|---------------------|
| Item (a) | Conveyance from Buyers to Sellers of the improved property situated at 55 Grove Street, Reno, Nevada, with agreement on the part of Buyers, that they will pay the indebtedness of \$8,000.00 secured by the outstanding mortgage. The Buyers agree that said \$8,000.00 indebtedness will be fully paid and discharged upon the sale of the so-called Hopkins Ranch at Wells, Nevada, or upon the payment and discharge of the indebtedness against the cattle, whichever date is earlier. Portion of purchase price represented by Item (a) | \$50,000.00 |
| Item (b) | Assumption and payment by Buyers of the outstanding F. H. A. mortgage on the cattle of \$140,000.00. Portion of purchase price represented by Item (b) | 140,000.00 |
| Item (c) | Assumption and payment by Buyers of the indebtedness of \$55,000.00 secured by the outstanding mortgage on the Romano Ranch property. Portion of purchase price represented by Item (c) | 55,000.00 |
| Item (d) | Assumption and payment made by Buyers of the real estate commission of \$5,000.00. Portion of purchase price represented by Item (d) | 5,000.00 |
| | Total | \$250,000.00 |

The Sellers agree to deliver possession to Buyers and Buyers agree to take possession of all of the property described in Recital I above on or about October 15, 1954.

The cattle are to be gathered at the expense of Sellers, but Buyers shall be notified of the time of the gathering so they shall have an opportunity to be present.

It is agreed that when the cattle are gathered, approximately 750 head of the cattle shall be shipped to Sellers at Yuma, Arizona for fattening by Sellers in connection with their established feed operation there. The Buyers and Sellers will select and agree upon the particular cattle and the exact number of cattle which are to be so shipped to Yuma. The number of cattle to be selected for shipment to Arizona will be a number which, in the opinion of the parties, will be sufficient when sold in the Spring of 1955 to pay the \$70,000.00 installment on said F.H.A. mortgage against the cattle.

The Sellers agree to feed and care for the cattle shipped to them as aforesaid according to sound husbandry and general feeding operation practiced in the area.

The Sellers agree that in the Spring of 1955 they will market the cattle shipped to them and will apply the proceeds in the following order, to-wit:

- First: \$70,000.00 plus accumulated interest shall be paid on said F.H.A. mortgage.
- Second: The Sellers shall be reimbursed for cost of transporting said cattle from the ranches to Yuma, Arizona.
- Third: The Sellers shall be paid for feeding the cattle, computed on the basis of 10¢ per head per day.
- Fourth: The balance, if any, shall be paid to the Buyers.

In the event the proceeds realized from the sale of said cattle shipped to Yuma shall be insufficient to pay the transportation costs and/or the feeding costs, the Buyers agree to pay the deficiency.

Title to all the cattle covered by this Contract shall remain in the Sellers until said F.H.A. mortgage is fully paid and discharged. Buyers shall stand all death loss on said cattle.

Buyers shall have the right to market all cattle covered by this Contract and left on the ranches, and all increase subject to securing the prior consent and approval of the Sellers. This arrangement for securing prior consent of Sellers shall continue until said F.H.A. mortgage is fully paid.

Proceeds from the sale of the cattle shall be first applied against the succeeding installment or installments, then due under said F.H.A. mortgage, and the balance shall be retained by Buyers.

Buyers agree that, on October 15, 1954, or when the Sellers shall have delivered possession to the Buyers of all of the property described in Recital I, they will execute and deliver to Sellers a good and sufficient Deed covering the 55 Grove Street Property, free and clear of all encumbrances except the mortgage and lease above referred to in connection with said property, and accrued taxes as of October 15, 1954.

Sellers agree that they will take possession of said Grove Street property, upon delivery to them of said Deed.

The Buyers agree that they will obtain at their own expense, and furnish to Sellers, a title insurance policy from Nevada Title Guaranty Company, with a \$50,000.00 limit insuring title to said Grove Street property to be in Buyer Joseph B. Key, free and clear of liens and encumbrances except said mortgage, lease and accrued taxes.

Concurrently with the delivery of said Deed from the Buyers to the Sellers covering the property at 55 Grove Street, Reno, Nevada, the Sellers agree that they will execute and deliver to Buyers the following:

- a. A good and sufficient warranty deed covering the Romano Ranch, free and clear of all encumbrances except the mortgage hereinabove referred to in connection with said property, and accrued taxes.
- b. A good and sufficient assignment of the lease on the Hay Ranch.
- c. A good and sufficient assignment covering grazing rights and privileges on the Federal Range for at least 600 head of cattle for 10 months each year, 100% Federal Range use.
- d. A good and sufficient bill of sale, with warranty of title covering the farm implements and equipment described in said Schedule "A".
- e. Assignment or deed covering each of the nineteen artesian wells above referred to, with a warranty that the assignors or grantors have good and marketable title to each of the water sources.
- f. Assignment or Deed covering the water holes above referred to, which are appurtenant to the Romano Ranch with a warranty that the Assignors or Grantors have good and marketable title to said water holes which are appurtenant to said Romano Ranch.

The Sellers agree that they will obtain at their own expense and furnish to Sellers a title insurance policy from Nevada Title Guaranty Company, with a \$75,000.00 limit, insuring title to said Romano Ranch, to be in Sellers, free and clear of all liens and encumbrances except the \$55,000.00 mortgage above referred to in connection with said property and accrued interest and taxes.

The Buyers assume and agree to pay the commission to Ray P. Smith referred to in Recital III above, on or before October 1, 1955 or when the Hopkins Ranch at Wells, Nevada shall be sold, whichever date is the earlier. In the event the property at 55 Grove Street, Reno, Nevada, is sold prior to the date above provided when the Buyers shall pay the commission, then and in such event, The Sellers will pay said commission. If the commission shall be so paid by the Sellers, then the Buyers shall be under obligation to reimburse the Sellers for the payment thereof, which reimbursement shall be made when the Buyers shall sell the Hopkins Ranch, or not later than the date when the F.H.A. mortgage on the cattle is satisfied.

If, on October 15, 1954, the Sellers are short in the number of cattle which they have gathered, and are obligated to deliver hereunder, they shall be allowed up to and including November 15, 1954 in which to gather the additional cattle, or to furnish satisfactory evidence to the Buyers that they have additional cattle on the Range to make up the deficiency.

The Sellers agree that, except for the present F.H.A. mortgage against the cattle which are the subject of this Contract, they will not incur any further or additional mortgage or encumbrance against said cattle without securing the written prior consent and approval of the Buyers.

Taxes and insurance on all the property involved in this transaction, and interest on the encumbrances involved in this transaction shall be prorated as of October 15, 1954.

If the Sellers default in the performance of this Agreement, the Buyers shall be entitled to any and all remedies available to them at law or in equity. If the Buyers default in the performance of this Agreement, the Sellers shall be entitled to any and all remedies available to them at law or in equity. The defaulting party agrees to pay court costs and reasonable attorneys-fees, incurred in the successful prosecution of any available legal or equitable remedy or remedies to the other party.

In the event of default on the part of the Sellers, the Buyers shall give written notice to the Sellers of the default and the Sellers shall have 30 days thereafter in which to cure the default.

In the event of default on the part of the Buyers, the Sellers shall give written notice to the Buyers of the Default and the Buyers shall have 30 days thereafter in which to cure the default.

Any notice contemplated herein to be served upon the Sellers shall be ⁱⁿ writing and shall be sufficiently given if mailed in the United States Postoffice, postage prepaid and registered, addressed to the Sellers at 526 First Avenue, Yuma, Arizona, or such other address as the Sellers may from time to time designate in writing.

Any notice contemplated herein to be served upon the Buyers shall be in writing and shall be sufficiently given if mailed in the United States Postoffice, postage prepaid and registered, addressed to the Buyers c/o Joseph B. Key, 2490 South Virginia Street, Reno, Nevada, or such other address as the Buyers may from time to time designate in writing.

The Sellers and Buyers agree to execute all Deeds, Assignment and all other formalities necessary or desirable in complying with and performing the terms of this Contract.

It is understood and agreed that upon delivering the Deeds, contemplated herein the respective Grantors shall pay for and furnish all necessary United States Revenue Stamps to cover the Deed.

This Agreement shall inure to the benefit of and be binding upon the heirs, legal representatives and assigns of the respective parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed these presents the day and year first above written.

George Hilliard
George Hilliard

Margueritte Hilliard
Margueritte Hilliard, in
her own right and as wife of
George Hilliard

FIRST PARTIES

Joseph B. Key
Joseph B. Key

Leonard E. Hopkins
Leonard E. Hopkins

SECOND PARTIES

STATE OF UTAH)
COUNTY OF SALT LAKE) ss

On the 14th day of September, A.D., 1954, personally appeared before me, MARY D. SMITH, a Notary Public in and for Salt Lake County, GEORGE HILLIARD, MARGUERITTE HILLIARD, JOSEPH E. KEY and LEONARD E. HOPKINS, 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 for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office in the County of Salt Lake, the day and year in this Certificate first above written.

(Notarial Seal)

Mary D. Smith
Notary Public, in and for the
County of Salt Lake, State of Utah

My Commission Expires: March 19, 1958.

SCHEDULE "A"

- 1 - one ton truck, G.M.C., Flat Rack
- 1 - one half ton Chevrolet Pickup, 51 or 52 model
- 1 - two ton G.M.C. stock truck
- 1 - John Deere tractor
- 1 - 2 way plow
- 1 - disc
- 2 - side delivery rakes
- 2 - power mowers
- 1 - Ford tractor
- 1 - hay loader
- 1 - sub soiler
- 2 - gasoline motors and two centrifugal pumps on wells on Romano Ranch

Also, all small tools not mentioned herein which are now on property or are listed in inventory taken from the A. C. Florio estate.

Recorded at the Request of Nevada Title Guaranty Co. Oct. 4, A.D. 1954 At 2 min. past 4 P.M.

By E. B. Crane--Recorder.