

HUFF, HUBBARD & ETCHEVERRY
ATTORNEYS AT LAW
375 SOUTH MAYFAIR AVENUE
DALY CITY, CALIFORNIA

For and in consideration of the sum of TWO HUNDRED Dollars (\$200.00), receipt of which is hereby acknowledged, and performance by Buyers of the obligations upon their part to be performed as herein set forth, WALLACE EDMOND BAKER and LOLA M. BAKER, his wife, of 85 Buckingham Way, San Francisco, California, hereinafter sometimes called "Sellers", hereby grant unto ORVILLE A. ELMQUIST and NEOMI V. ELMQUIST of 23616 Williams Avenue, Hilmar, California, hereinafter sometimes referred to as "Buyers", the sole and exclusive right and option to purchase, upon the terms and conditions set out hereinbelow, the following described land in the County of Eureka, State of Nevada, to wit:

NE-1/4, N-1/2 SE-1/4, Lots 9 and 10, containing 316.32 acres (herein sometimes referred to as the E-1/2 of Section 18), T. 20 N., R. 53 E., Mount Diablo Meridian, as granted to WALLACE EDMOND BAKER by the United States Patent dated October 30, 1963, numbered 123392 and recorded May 15, 1964 in Book 4 of Official Records of Eureka County, Nevada, at page 132-133

NW-1/4, N-1/2 SW-1/4, Lots 1 and 2, containing 312.81 acres (herein sometimes referred to as the W-1/2 of Section 17), T. 20 N., R. 53 E., Mount Diablo Meridian, subject to Desert Land Entry No. 055942 filed by Lola May Baker, August 23, 1960 and all rights of Sellers with respect thereto, it being expressly understood that in event this option is exercised prior to the issuance of United States Patent for all or part of said W-1/2 of Section 17, this option shall be deemed to call for an assignment of all the right, title and interest of Sellers in and to said land, and for a conveyance by deed only in and to the extent that United States Patent has issued.

The option granted hereunder shall be exercisable at any time during the period January 1, 1965 to and including November 1, 1965.

The option granted hereunder shall continue in effect during the above mentioned term upon condition that Buyers shall pay to Sellers on or before January 1, 1965 and on the first day of each

WB NE
LB QAL
succeeding month the sum of \$165.00 ~~or more~~ until the first day of March 1965 on or before which day the Buyers shall pay to Sellers the sum of \$800.00 ~~or more~~, and also upon condition that Buyers shall have commenced and continued to perform with reasonable diligence and in a good and workmanlike manner the work herein specified.

In event Buyers shall have complied with all of their said obligations and made the payments hereinabove specified required to be made up to and including the first day of March, 1965, the option granted hereunder shall continue in effect during an extended period upon condition that Buyers shall pay to Sellers on or before the first day of each month commencing April 1, 1965 and continuing through October 1, 1965, the sum of \$165.00 per month ~~or more~~, and provided further that on or before November 1, 1965 Buyers shall pay to Sellers the sum of \$5,000.00 if the U. S. Patent has theretofore issued with respect to the W-1/2 of Section 17 or \$10,000.00 or more if the U. S. Patent has not theretofore issued with respect to said Section 17 and shall have also performed its obligations hereunder with respect to the work herein specified to be performed up to and including said first day of November, 1965.

The option granted hereunder shall be exercisable by giving written notice to Sellers, either in person or by registered mail, and in no other way. In the case of notice by registered mail, notice shall be deemed given on the day that the notice is mailed in any U. S. Post Office.

The terms and conditions of the purchase contemplated hereby shall be as follows:

Purchase price: \$33,000.00

In event option is exercised by Buyers
\$363.10 out of payments made by Buyers
shall be applied to and shall reduce
the purchase price

363.10

\$32,636.90

Upon completion of sale and purchase agreement Seller agrees to furnish to buyers a clear and marketable title to the property herein described.

Wallace Baker
Lela M. Baker

Payment required to be made upon exercise of option on or before November 1, 1965, \$5,000.00 if the U. S. Patent has theretofore issued with respect to the W-1/2 of Section 17 or \$10,000.00 or more if the U. S. Patent has not theretofore issued with respect to said Section 17.

\$ 5,000.00

Balance

\$28,636.90

Balance due as set forth above, i.e., \$28,636.90 or \$23,636.90

as the case may be, shall constitute principal due on promissory note, which shall be completed by insertion of appropriate amounts of principal balance due and interest due the part hereof, sellers under the terms of this agreement and signed by both the buyers and the sellers when buyer elects to exercise his option. As part of the consideration for the execution and delivery

of this agreement, without which Sellers would not have entered into this agreement or given the option hereby granted, Buyers agree at their sole cost and expense and without any obligation of repayment on the part of Sellers, and with the exercise of reasonable diligence and in a good and workmanlike manner to:

(a) To perforate the well now located in the SW-1/4 of said Section 17 at a point or points opposite water bearing aquifers and to cause such additional water well drilling and deepening and to install adequate pumps and engines as may be required to develop 2200 to 2400 gallons of water per minute in the W-1/2 of said Section 17 on or before February 15, 1965.

(b) To equip said water wells with adequate pumps and engines prior to April 1, 1965.

(c) To plant and raise by irrigation a saleable crop on at least 50 acres of the W-1/2 of said Section 17 on or before May 1, 1965.

(d) To build head ditches capable of carrying 1200 to 1800 gallons of water to each 40-acre subdivision on the W-1/2 of said Section 17 on or before July 1, 1965.

(e) To construct at least one flume or structure capable

of carrying water in quantities necessary to meet patent requirements across Devils Gate Slough on or before July 1, 1965.

(f) To pay the cost of securing patent at the time of the patent hearing and all costs in connection with advertising prior to hearing including charge of \$1.00 per acre for each acre included in the patent advertising costs and the usual fee of \$25.00 charged by the patent hearing officer.

(g) To comply with all pre-patent requirements prior to July 1, 1965.

Buyers agree to pay all damages directly occasioned by their operations to well or equipment of Sellers now on said land.

Buyers agree that Buyers' obligations hereunder, unless expressly waived by Sellers, shall not be suspended for any reason whatsoever whether caused in part or in whole by strikes, lockouts, acts of God, unavoidable accidents or other matters beyond the control of Buyers whether similar to the matters herein specified or not.

All labor to be performed and material to be furnished in connection with the water wells or water supply or conduits used for irrigation, and related facilities, and the planting, harvesting or otherwise conducting farming operations shall be performed and material furnished at the sole cost and expense of the Buyers, and Sellers shall not be chargeable with nor liable for any part thereof, and the Buyers shall keep said lands duly and fully protected against all liens of every character arising from or connected with their operations; and in the event any such lien is placed on said land to the knowledge of Buyers, they shall immediately notify Sellers thereof.

In the event Buyers shall fail to exercise the option herein granted, they shall not remove from said land any machinery, piping, pumps or engines or other property land improvements belonging to or furnished by the Buyers, for water supply and irrigation purposes.

Buyers shall not assign this option, nor sublet said

lands or any of their rights hereunder without the written consent of Sellers first had and obtained.

In the event Buyers shall fail for a period of ten days after written notice by Sellers to comply with any provision of this agreement, Sellers may terminate the option hereby granted and repossess said lands without any compensation or remuneration whatsoever to Buyers.

Sellers reserve the right to examine said lands and the work conducted thereon at any and all reasonable times during the continuation of the option hereby granted.

Buyers agree to assume remaining payments due on Sellers' pump purchase account with First National Bank of San Jose in amount of \$636.90 a year for three years after Sellers shall first have applied toward said account \$636.90 from the option payments made hereunder by Buyers.

It is expressly understood that as a part of this option, without which it would not have been taken by Buyers, the Buyers shall have and are hereby granted the following rights and privileges with respect to said land:

(a) Buyers may plant and farm as many acres on W-1/2 of Section 17 and E-1/2 of Section 18 as Buyers wish to plant and care for.

(b) Buyers shall own all crops raised by them on said land and shall be entitled to retain all revenue therefrom during the period of this option, free of lien or claim by Sellers.

It is understood and agreed, any rule of law or equity to the contrary notwithstanding, that time is of the essence of this option.

In the event that Buyers fail to exercise the option granted hereunder, all payments theretofore made by Buyers to Sellers shall be forfeited to and become the property of the Sellers, and

all work performed by Buyers pursuant to the option hereby granted, all materials and equipment installed, including wells, flumes, water conduits or other work of any kind or character upon the lands herein described, shall become the property of the Sellers without any obligation whatsoever to reimburse Buyers for all or any part thereof.

IN WITNESS WHEREOF, the parties hereto have executed this agreement in duplicate as of 5th day of December, 1964.

Wallace Edmond Baker

Lola M. Baker

SELLERS

Orville A. Elmqvist

Neomi V. Elmqvist

BUYERS

STATE OF CALIFORNIA,
Stanislaus

County of

ss.

On this 5th day of December

in the year one thousand nine hundred and sixty four

before me, Elwood Nelson

a Notary Public in and for the County of Stanislaus

State of California, residing therein, duly commissioned and sworn, personally appeared WALLACE EDMOND BAKER and LOLA M. BAKER, his wife

known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that they executed the same.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal

in the County of Stanislaus the day and year in this

STATE OF CALIFORNIA,
Stanislaus

County of

ss.

On this 5th day of December

in the year one thousand nine hundred and sixty four

before me, Elwood Nelson

a Notary Public in and for the County of Stanislaus

State of California, residing therein, duly commissioned and sworn, personally appeared ORVILLE A. ELMQUIST and NEOMI V. ELMQUIST

known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that they executed the same.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal

in the County of Stanislaus the day and year in this

Elwood Nelson
NOTARY PUBLIC - CALIFORNIA
PRINCIPAL OFFICE IN
STANISLAUS COUNTY

County of Stanislaus State of California,
My Commission Expires January 20, 1968

Exhibit "A"

NOTE SECURED BY DEED OF TRUST

(Installment - Interest Extra)

\$ _____ (Amount to be determined by agreement to which this form is attached dated December 5, 1964 between the parties hereto)

_____, California, 1, 1965

In installments as herein stated, for value received, we ORVILLE A. ELMQUIST, and Neomi V. Elmquist of 23616 Williams Avenue, Hilmar, California, promise to pay to WALLACE E. BAKER and LOLA M. BAKER of (85 Buckingham Way, San Francisco, California,) or order, (at 85 Buckingham Way, San Francisco, California,) the principal sum of _____ DOLLARS with interest from November 1, 1965 on unpaid principal at the rate of six (6) per cent per annum; interest payable annually on the first day of November of each year beginning on the first day of November 1966 and continuing until said interest has been paid; and, principal payable in eight annual equal installments of _____ DOLLARS or more, on the first day of November of each year beginning on the first day of November 1968, and continuing until said principal has been paid. Each payment shall be credited first on interest then due, and the remainder on principal, and interest shall thereupon cease upon the principal so credited. Should default be made in payment of any installment when due, the whole sum of principal and interest shall, at the option of the holder of this note, become immediately due. Principal and interest payable in lawful money of the United States. If suit or action shall be instituted in any Court to collect any sum becoming due on this note, the undersigned promise to pay such sum as the Court may adjudge reasonable as attorney's fees in said suit or action. In the event the real property described in the Deed of Trust securing this Note or any part thereof, or any interest therein or in the desert-land entries related thereto is sold or assigned or agreed to be sold or assigned, conveyed or alienated by the trustor under deed of trust herein mentioned, or by the operation of law or otherwise, all obligations secured by this Note, irrespective of the maturity dates expressed herein at the option of the holder hereof and without demand or notice shall immediately become due and payable. This Note is secured by a Deed of Trust to Pioneer Title Insurance Company, Reno, Nevada, trustee, bearing even date herewith.

of Nevada

FILE NO. **41613**

Filed for record at the request of Wallace Baker
January 6, 1966, at 35 minutes past 3 P. M. Recorded in
 Book 9 of Official Records, page 466-472, Records of EUREKA
 COUNTY, NEVADA.
 Fee: \$ 8.55

Wallace A. Baker, Recorder