

A G R E E M E N T

THIS AGREEMENT made this 15th day of October, 1975, by and between ED FRIESEN and ELSIE FRIESEN, his wife, First Parties, and DAVID M. CORBETT and SHIRLEY K. CORBETT, his wife, and KEITH E. JONES, Second Parties; and LEO J. DAMELE and ELLEN M. DAMELE, his wife, Third Parties;

W I T N E S S E T H:

WHEREAS, Third Parties are the owners of a cattle ranch located at Beowawe, Nevada, having purchased said cattle ranch from First Parties on November 18, 1974. At the time of the purchase, a Note and Deed of Trust were executed by Third Parties in the amount of \$330,000.00 payable to First Parties. A copy of said Note being attached hereto as Exhibit A and incorporated herein by reference, and

WHEREAS, Second Parties are desirous of purchasing the cattle ranch from Third Parties, and Third Parties are desirous of selling the said cattle ranch to Second Parties, upon the terms, covenants and conditions hereinafter set forth.

NOW, THEREFORE, for and in consideration of the mutual promises and agreements hereinafter set forth, and other good and valuable consideration, receipt whereof is hereby acknowledged, it is agreed as follows:

1. Upon the assumption by Second Parties of the \$330,000.00 Note attached hereto as Exhibit A, First Parties coincidentally therewith agree to release LEO J. DAMELE and ELLEN M. DAMELE, his wife, and LEO DAMELE AND SONS RANCHES, INC., a Nevada Corporation, which Corporation assumed the foregoing Note, from any and all further responsibility of any name or nature for the payment of said Note

or for the performance of any and all other conditions contained in said Note or the Deed of Trust securing the same.

2. The cattle ranch purchased by Third Parties and the subject of this Agreement was initially acquired as two separate cattle ranches. One Portion of the cattle ranch was acquired by First Parties from Sansinena, et al. Said portion of the ranch has at various times been known as the Home Ranch, the Johnson Ranch and Cold Springs Ranch. The balance of the ranch purchased by Third Parties from First Parties was acquired from Rose and Colburn and said ranch has been known as the Rose and Colburn Ranch. For the purpose of this Agreement, the two parcels shall be referred to separately as the Sansinena Ranch and the Rose and Colburn Ranch.

3. First Parties agree to accept the sum of \$26,400.00 on November 18, 1975, being the interest on the \$330,000.00 Note. First Parties waive the right to demand the principal payment of \$16,500.00 due on November 18, 1975. Further First Parties agree to divide the Note of \$330,000.00 as follows:

- a) \$200,000.00 shall be allocated to the Sansinena Ranch and shall be payable as follows:

\$10,000.00 or more per year on principal, beginning on November 18, 1976, together with interest thereon at the rate of eight (8%) percent per annum, and on the 18th day of each November thereafter until the entire principal and interest have been paid in full.

- b) \$130,000.00 of the \$330,000.00 Note shall be allocated to the Rose and Colburn Ranch and shall be payable as follows:

\$6,500.00 or more on November 18, 1976, together with interest thereon at the rate of eight (8%) percent per annum, and on the 18th day of each November thereafter until the entire principal and interest have been paid in full.

Prepayment may be made on either amount without penalty.

4. First Parties agree to release either the Sansinena or Rose and Colburn ranch upon the payment of the amounts allocated

to each ranch. In the event the Second Parties shall sell either or both of said ranches to separate parties, First Parties agree to continue the allocation provided herein.

5. In the event that the Sansinena Ranch is sold separate, said sale shall be on the basis of twenty five (25%) percent of the total selling price as a down payment. Sixty (60%) percent of said down payment shall then be paid to First Parties and applied to the portion of the principal allocated to the Sansinena Ranch. In the event that the sale is made separately, a new Deed of Trust and a new Note will be accepted by First Parties.

6. In the event that the Rose and Colburn Ranch is sold separately, the sale shall be on the basis of fifteen (15%) percent of the total selling price as a minimum down payment and sixty (60%) percent of said down payment shall be paid to reduce the amount allocated to the Rose and Colburn Ranch.

7. In no event are First Parties to be placed in a position junior to any other loans.

8. There are presently existing Bureau of Land Management rights on both the Sansinena and Rose and Colburn Ranches. Of the total BLM rights existing on the entire joint ranch, sixty four (64%) percent of the said BLM rights shall be deemed to be allocated to the Sansinena Ranch and thirty six (36%) percent of the BLM rights shall be allocated to the Rose and Colburn Ranch.

9. This Agreement shall be effective when and if the amount of \$26,400.00 is paid to First Parties, on or before November 18, 1975. All documentation shall be prepared prior to November 18, 1975, and shall be executed by all of the parties and placed in escrow with a title company to be selected by the parties

hereto. In lieu of the payment of said \$26,400.00, First Parties agree to accept a Note executed by Second Parties in the same amount to be paid on or before November 18, 1975. Said Note shall be non-interest bearing. Upon the execution of the Note by Second Parties and receipt thereof by First Parties, this Agreement shall become effective.

10. First Parties shall pay for their own attorney's fees and costs, except for the sum of \$920.00. Second Parties agree to pay the \$920.00 as follows:

- a) \$420.00 from the payment on the Thermal Steam Lease, which payment shall be due and payable on April 26, 1976.
- b) \$500.00 upon close of sale of either the Sansinena Ranch or Rose and Colburn Ranch.

This agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators and assigns of the parties hereto.

IN WITNESS WHEREOF, the said parties hereto have hereunto set their hands as of the day and year first hereinabove written.

Ed Friesen
ED FRIESEN

Elsie Friesen
ELSIE FRIESEN

First Parties

David M. Corbett
DAVID M. CORBETT

Shirley K. Corbett
SHIRLEY K. CORBETT

Keith E. Jones
KEITH E. JONES

Second Parties

Leo J. Damele
LEO J. DAMELE

Ellen H. Damele
ELLEN H. DAMELE

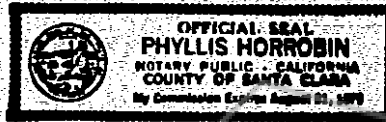
Third Parties

LAW OFFICES
EVANS & DILYEU
PROFESSIONAL CENTER
RENO, NEVADA 89501

STATE OF CALIFORNIA)
COUNTY OF Santa Clara) SS.

On this 23rd day of October, 1975, personally appeared before me, a Notary Public, ED FRIESEN and ELSIE FRIESEN, his wife, who acknowledged that they executed the foregoing instrument.

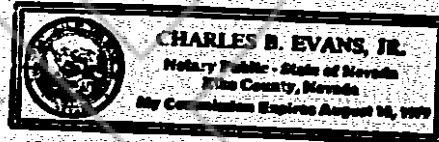
Phyllis Morrobin
NOTARY PUBLIC



STATE OF NEVADA)
COUNTY OF ELKO) SS.

On this 16th day of October, 1975, personally appeared before me, a Notary Public, DAVID M. CORBETT and SHIRLEY CORBETT, his wife, and KEITH E. JONES, who acknowledged that they executed the foregoing instrument.

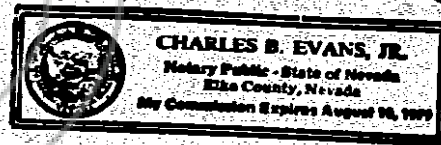
Charles B. Evans, Jr.
NOTARY PUBLIC



STATE OF NEVADA)
COUNTY OF ELKO) SS.

On this 16th day of October, 1975, personally appeared before me, a Notary Public, LEO J. DAMELE and ELLEN M. DAMELE, his wife, who acknowledged that they executed the foregoing instrument.

Charles B. Evans, Jr.
NOTARY PUBLIC



NOTE

\$530,000.00

Elko, Nevada
November 18, 1974

FOR VALUE RECEIVED, the undersigned, jointly and severally promise to pay to the order of ED FRIESEN and ELSIE FRIESEN, his wife, as joint tenants with right of survivorship, at FIRST AMERICAN TITLE COMPANY OF NEVADA, 201 W. Liberty Street, Reno, Nevada, or wherever payment shall be demanded by the holder or holders of this note the sum of THREE HUNDRED THIRTY THOUSAND and No/100 (\$530,000.00) DOLLARS, with interest on the unpaid balance accruing at the rate of eight (8%) percent per annum from November 15th, 1974, in yearly installments, in the manner following:

\$16,500.00 plus accrued interest on the 15th day of November, 1975, and a like sum, plus accrued interest, on the 15th day of November of each and every year thereafter until the entire amount of principal, together with interest, has been paid in full.

The makers may, at their option, increase the amount of said payments, or may make additional and further payments at any time, or the entire balance of principal may be paid at any time during the life of this Note. If additional payments are made, they shall first be applied to accrued interest to date. Additional payments shall be so identified and shall not accrue as a portion of the annual payments, but the makers shall, in all events pay at least the yearly sum, as above set forth.

The makers and endorsers waive demand, diligence, presentment, protest and notice of protest and non-payment.

In the event of default in the payment of any sum due hereunder, according to the terms and tenor hereof, and if such default lasts for a period of thirty days, the holder or holders may, at their option, declare the entire amount of principal and interest due and payable.

In case of the default in the payment of, or if suit be commenced for the collection of any part of the principal or interest due hereunder, the undersigned jointly and severally promise and agree to pay a reasonable attorney fee incurred, together with all costs.

This Note is secured by a Deed of Trust of even date herewith.

s/ Leo J. Damele
LEO J. DAMELE

s/ Ellen M. Damele
ELLEN M. DAMELE

RECORDED AT THE REQUEST OF Evans & Bilveu
on Nov. 3 1975 at 04 min past 8 A. M. to
Book 52 of OFFICIAL RECORDS, page 540-545, RECORDS OF
EUREKA COUNTY, NEVADA. WILLIS A. DePAOLI Recorder
File No. 60545 Fee \$ 8.00

BOOK 52 PAGE 545

EXHIBIT A