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GRANT, BARGAIN AND SALE DEED

THIS INDENTURE is made this 3rd day of JANUARY, 1995, by and between **STEPHEN D. DAMELE and PAULINE J. DAMELE**, husband and wife, "Grantors"; and **JULIAN TOMERA RANCHES, INC., STONE HOUSE DIVISION**, a Nevada corporation, "Grantee".

WITNESSETH:

That the said Grantors, for good and valuable consideration given by the Grantee, the receipt of which is hereby acknowledged, do by these presents, grant, bargain, sell, and convey unto the said Grantee, and its successors and assigns, all that certain property situate, lying, and being in the County of Eureka, State of Nevada, and more particularly described as follows:

PARCEL 1:

TOWNSHIP 28 NORTH, RANGE 50 EAST, MDB&M

Section 24: SE1SW1
Section 25: NW1NE1; NE1NW1

TOWNSHIP 28 NORTH, RANGE 51 EAST, MDB&M

Section 18: NE1
Section 21: N1NW1; SE1NW1; SW1NE1

PARCEL 2:

TOWNSHIP 28 NORTH, RANGE 51 EAST, MDB&M

Section 3: All
Section 15: All

TOWNSHIP 29 NORTH, RANGE 51 EAST, MDB&M

Section 33: All

EXCEPTING FROM Parcel 2, all petroleum, oil, natural gas, and products derived therefrom, within or under lying said land or that may be produced therefrom, and all rights thereto as reserved in deed from Southern Pacific Land Company, recorded March 9, 1950, in Book 24, Page 42, Deed Records, Eureka County, Nevada.

FURTHER EXCEPTING FROM Parcel 2, an undivided 1/2 interest in and to any and all other mineral rights as reserved in deed from Oscar Rudnick, et al, recorded November 4, 1955, in Book 24, Page 477, Deed Records, Eureka County, Nevada.

FURTHER EXCEPTING FROM Parcels 1 and 2 an undivided 1/4 interest in all the minerals in and to said property, as reserved in deed from Jean Sallaberry, et al, recorded October 26, 1960, in Book 25, Page 467, Deed Records, Eureka County, Nevada.

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BOOK 206 PAGE 461

FURTHER EXCEPTING FROM Parcels 1 and 2, an undivided 2/3 interest in and to all minerals, oil, or gas lying on, in or under said land, then owned by the grantors in deed recorded January 12, 1970, in Book 34, Page 199, Official Records, Eureka County, Nevada, as reserved to Leo J. Damele and John V. Damele, by said deed.

RESERVING unto Grantors an undivided one-half interest in and to all of Grantors' right, title and interest in all coal, oil, gas, oil shales and other hydrocarbons, all geothermal resources and energy, and all other minerals of every kind and nature whatsoever, regardless of the method of extraction, existing as a part of, upon, beneath the surface of, or within said lands, together with all surface rights and uses incidental or appurtenant thereto for the purpose of prospecting for, developing, mining, extracting, producing and transporting said coal, oil, gas, oil shales, geothermal resources, geothermal energy and minerals and any of their by-products.

SUBJECT TO all conditions, encroachments, codes, laws, zoning ordinances, restrictions and regulations, if any, which apply to the property.

SUBJECT TO all existing rights of way, easements, licenses, and privileges for highways, roads, trails, railroads, canals, ditches, flumes, conduits, pipe, pole, or transmission lines, telephone lines or cables, reservoirs, and dams, on, under, over, through or across said premises or any portion thereof.

SUBJECT TO all covenants, conditions, restrictions, exceptions, easements, rights of way, reservations and rights, and other matters evidenced by documents of record.

SUBJECT TO any and all oil, gas, geothermal or mineral interests, rights, or reservations on the property which may be owned by third parties.

SUBJECT TO Agricultural Use Assessment pursuant to Chapter 361A of Nevada Revised Statutes.

TOGETHER WITH all buildings, residences, fences, gates, corrals, barns, storage buildings, and all other improvements and fixtures situate thereon.

TOGETHER WITH all of Grantors' right, title, interest and estate in all wells, waters and water rights now vested, decreed, certificated, permitted, appropriated or appurtenant to the lands, or any portion thereof; all dams, ditches, diversions, canals, pipelines, reservoirs, easements, access and maintenance rights, well casings, troughs, stockwater and domestic water systems, and all other means, methods, systems of diverting and using such water and water rights and applying them to beneficial use on each parcel; and all maps, proofs, permits, certificates and applications for such water

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BOOK 206 PAGE 462

rights. Grantors warrant that prior to this conveyance they have not conveyed said water rights to any third parties.

TOGETHER WITH all of Grantors' right, title, interest and estate in any and all easements, rights of way and licenses benefiting, appurtenant to or used in connection with said lands and the BLM grazing allotment.

TOGETHER WITH the remaining undivided one-half of all right, title, interest and estate of Grantors in and to all geothermal resources, geothermal energy, coal, oil, gas, oil shales and minerals of every kind and nature whatsoever (including, but not limited to, barium sulfate, uranium, fissionable materials, metals, and other materials), existing upon, beneath the surface of, or within the above-described lands, with an undivided one-half of Grantors' interest in and to all leases and agreements covering said lands, including one-half of all rentals, royalties, bonuses and payments therefrom.

TOGETHER WITH any and all rights, privileges, preferences, licenses, leases and permits to graze livestock upon federal lands administered by the United States Department of Interior, Bureau of Land Management, based upon the subject lands or any portion thereof, with all permits, cooperative agreements, grazing system agreements, range improvements, stockwater rights and systems.

TOGETHER WITH the tenements, hereditaments, and appurtenances thereunto belonging or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues, and profits thereof.

TO HAVE AND TO HOLD the said premises, together with the appurtenances, unto the said Grantee, and to its successors and assigns, forever.

IN WITNESS WHEREOF, the said Grantors have executed this Deed as of the day and year first hereinabove written.

GRANTORS:

Stephen D. Damele
STEPHEN D. DAMELE

Pauline J. Damele
PAULINE J. DAMELE

GRANTEE'S ADDRESS:

c/o Matthews & Wines, P.C., 687 6th St.

Elko, NV 89801

PARCEL 5-640-04

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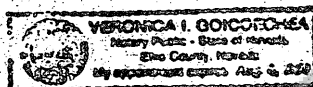
BOOK 206 PAGE 463

STATE OF NEVADA

COUNTY OF ELKO

On December 26, 1989, personally appeared before me, a Notary Public,
STEPHEN D. DAMELE and PAULINE J. DAMELE, who acknowledged that they
executed said instrument.

Veronica I. Goicochea
NOTARY PUBLIC



RECORDED AT THE REQUEST OF

BOOK 206 PAGE 461
Frontier Title Co.
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FILE NO. 1800

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BOOK 206 PAGE 464