

167531

GRANT, BARGAIN AND SALE DEED

THIS INDENTURE is made and entered into this 5th day of August, 1997, by and between, DONALD MCNAB and SANDRA J. MCNAB, husband and wife, "Grantors"; and GEORGE PENOLA and EDNA PENOLA, husband and wife, "Grantees."

WITNESSETH:

That the said Grantors, for good and valuable consideration given by the Grantees, the receipt of which is hereby acknowledged, do by these presents, grant, bargain, sell, and convey unto the said Grantees, as community property with right of survivorship, and their assigns and the heirs, executors, administrators, successors, and assigns of the survivor forever, all that certain property situate, lying, and being in the County of Eureka, State of Nevada, more particularly described on Exhibit "A" attached hereto, made a part hereof and incorporated herein by this reference.

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

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

TOGETHER WITH all fences, corrals, buildings and other improvements thereon including but not limited to gates, panels and propane and fuel tanks.

TOGETHER WITH all stockwater troughs, water tanks, and pipelines and stockwater, irrigation and domestic water systems on said lands.

TOGETHER WITH all of Grantors' right, title and interest in and to all oil, gas, mineral, petroleum, and geothermal resources, and all other mineral rights of whatever nature existing as a part of, upon, beneath the surface of or within said lands, including any mineral leases thereon, and all rentals, royalties and other consideration payable to Grantors therefor.

TOGETHER WITH all of Grantors' right, title and interest in and to all rights, privileges, preferences, permits and licenses to graze and/or to trail livestock upon the federal domain administered by the Bureau of Land Management in the Grass Valley and Bauman Buckhorn Allotments, together with all cooperative agreements and range improvements used in connection with said grazing permits.

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TOGETHER WITH all water, water rights, dams, ditches, canals, pipelines, headgates, diversions, reservoirs, springs, wells, pumps, pumping stations, rights of way, easements and all other means for the diversion or use of water appurtenant to the said property or any part thereof, or now or hereafter used or enjoyed in connection therewith, for irrigation, stockwatering, domestic or any other use, or drainage of all or any part of said lands, including vested water rights, permitted water rights, decreed water rights and certificated water rights arising under the laws of the State of Nevada, together with all certificates of appropriation, applications, proofs, permits and maps relating to such water and water rights which are appurtenant to the above-described real property, or any part thereof, or used or enjoyed in connection therewith, or with federal domain grazing lands appurtenant or attached thereto. Said water rights include, without limitation, those water rights more particularly described on Exhibit "B" attached hereto and made a part hereof.

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 Grantees, as community property with right of survivorship, and their assigns and the heirs, executors, administrators, successors, and assigns of the survivor forever.

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

GRANTORS:

Donald McNab
DONALD MCNAB

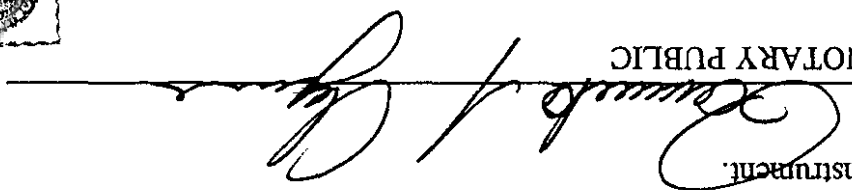
Sandra J. McNab
SANDRA J. MCNAB

STATE OF NEVADA

)
) SS.
)
COUNTY OF Elko

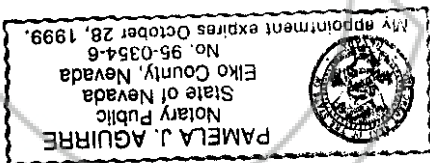
On August 5, 1997, personally appeared before me, a Notary Public, DONALD MCNAB and SANDRA J. MCNAB, husband and wife, personally known to me to be the persons whose names are subscribed to the above instrument who acknowledged that they executed said instrument.

NOTARY PUBLIC



Grantee's Address: P.O. Box 189

Battle Mountain, Nevada 89820



APN: #6-240-04

BOOK 310 PAGE 293

LEGAL DESCRIPTION

The land referred to herein is situated in the State of Nevada, County of Eureka, described as follows:

PARCEL 1:

TOWNSHIP 26 NORTH, RANGE 48 EAST, M.D.B.&M.

Section 13: Lot 4; SW1/4SE1/4; SW1/4NW1/4; N1/2SW1/4; SE1/4SW1/4;

EXCEPTING THEREFROM all the oil and gas in and under said land, reserved by THE UNITED STATES OF AMERICA, in patent recorded March 7, 1967, in Book 18, Page 245, Official Records, Eureka County, Nevada.

PARCEL 2:

TOWNSHIP 24 NORTH, RANGE 48 EAST, M.D.B.&M.

Section 13: W1/2SW1/4; SE1/4SW1/4;

Section 14: NE1/4SE1/4;

Section 15: N1/2NW1/4; SE1/4NW1/4;

SW1/4NE1/4;

TOWNSHIP 25 NORTH, RANGE 48 EAST, M.D.B.&M.

Section 24: SE1/4; E1/2SW1/4;

TOWNSHIP 24 NORTH, RANGE 48 1/2 EAST, M.D.B.&M.

Section 13: SE1/4NW1/4; S1/2NE1/4; SE1/4;

Section 24: N1/2NE1/4;

TOWNSHIP 25 NORTH, RANGE 48 1/2 EAST, M.D.B.&M.

Section 25: E1/2SW1/4; SE1/4; Lots 3 and 4;

Section 36: N1/2NE1/4;

TOWNSHIP 24 NORTH, RANGE 49 EAST, M.D.B.&M.

Section 18: Lots 2, 3, 4; E1/2 SW1/4;

Section 19: NE1/4NW1/4; Lot 1;

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Continued on next page

STEWART TITLE

Guaranty Company

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SCHEDULE A
CLTA PRELIMINARY REPORT
(7/88)

TOWNSHIP 26 NORTH, RANGE 49 EAST, M.D.B.&M.

Section 6: Lots 6, 7 and 8;
Section 7: Lots 1, 2, 3 and 4;
Section 18: Lots 1, 2, 3 and 4;
Section 19: Lots 1, 2, 3 and 4;

EXCEPTING FROM SE1/4 NW1/4; SE1/4; Section 13; N1/2 NE1/4; Section 24, TOWNSHIP 24 NORTH, RANGE 48 1/2 EAST, and Lots 2, 3 and 4; SE1/4; Section 18; NE1/4 NW1/4; Lot 1, Section 19, TOWNSHIP 24 NORTH, RANGE 49 EAST; SE1/4; E1/2 SW1/4, Section 24, TOWNSHIP 25 NORTH, RANGE 48 EAST; and E1/2 SW1/4; SE1/4; Lots 3 and 4, Section 25; N1/2 NE1/4, Section 36, TOWNSHIP 25 NORTH, RANGE 48 1/2 EAST, all coal and other minerals in and under said land, reserved by the United States of America, in patents recorded in Book 20, Page 400, and Book 21, Page 307, Deed Records, Eureka County, Nevada.

PARCEL 3:

TOWNSHIP 24 NORTH, RANGE 48 EAST, M.D.B.&M.
Section 10; W1/2NE1/4;

PARCEL 4:

TOWNSHIP 24 NORTH, RANGE 48 EAST, M.D.B.&M.
Section 13: S1/2SW1/4SE1/4;
Section 24: N1/2NW1/4NE1/4;

TOWNSHIP 26 NORTH, RANGE 48 EAST, M.D.B.&M.
Section 13: SW1/4NW1/4SE1/4;

TOWNSHIP 26 NORTH, RANGE 49 EAST, M.D.B.&M.
Section 30: Lot 1; N1/2 of Lot 6;

EXCEPTING FROM SW1/4 NW1/4 SE1/4, Section 13, TOWNSHIP 26 NORTH, RANGE 48 EAST, and Lot 1; N1/2 of Lot 6, Section 30, TOWNSHIP 26 NORTH, RANGE 49 EAST, all oil and gas in and under said land, reserved by the United States of America, in Patent recorded

November 7, 1974, in Book 50, Page 246, Official Records, Eureka County, Nevada.

EXCEPTING FROM S1/2 SW1/4 SE1/4, Section 13; N1/2 NW1/4 NE1/4, Section 24, TOWNSHIP 24 NORTH, RANGE 48 EAST, all the geothermal steam and associated resources in and under said land, reserved by the United States of America, in Patent recorded November 7, 1974, in Book 50, Page 246, Official Records, Eureka County, Nevada.

FURTHER EXCEPTING FROM Parcels 1, 2 and 3, an undivided 50% interest into any and all mineral rights, oil or gas owned by the Seller, in and under said land, reserved by Walter E. Baumann and Jeanette Baumann, in Deed recorded May 5, 1977, in Book 59, Page 60, Official Records, Eureka County, Nevada.

FURTHER EXCEPTING FROM Parcels 1, 2, 3 and 4 an undivided one-half interest in and to all of Walter E. Baumann's right, title and interest in and to all coal, oil, gas, and minerals of every kind and nature whatsoever and geothermal rights, lying in and under said land as reserved in Deed recorded August 9, 1988, in Book 182, Page 150, Official Records, Eureka County, Nevada.

EXHIBIT "B"
TO RANCH SALE CONTRACT
MCNAB TO PENOLA

All of the following enumerated Applications to Appropriate Water and Certificates of Appropriation of Water on file with, and issued by the State Engineer for the right to use both surface and underground water for irrigation, domestic and stockwater use, as evidenced by:

Application No.	Certificate No.	Source	Use
4794	781	McCloskey Creek	Irrigation
4795	570	Pat Canyon	Irrigation
7209	1938	Black Springs	Stockwater
7210	1460	Pat Canyon Spring #1	Stockwater
7211	1337	Pat Canyon Spring #2	Stockwater
7212	1338	Mud Spring	Stockwater
7213	1339	Grouse Spring	Stockwater
7214	1340	Sage Hen Spring	Stockwater
7215	1341	Granite Spring	Stockwater
8361	1764	Rye Patch Spring	Stockwater
9207	1879	Cottonwood Spring	Stockwater
9208	1880	Issacs or Willow Spring	Stockwater
12543	3731	Well #1	Stockwater
12544	3732	Well #2	Stockwater
19320	7691	Underground	Irrigation
21178	7397	Horse Canyon	Irrigation

ALSO TOGETHER WITH all of the following enumerated Proofs of Appropriation of Water for Stock Watering Purposes on file with the State Engineer as evidenced by:

Proof No.	Certificate No.	Source	Use
01197	189	Stockwater	Stockwater
01198	190	Pat Canyon Creek	Irrigation & Stockwater
01230	191	Antelope Creek	Irrigation & Stockwater
01230	192	Antelope Creek	Irrigation & Stockwater

ALSO TOGETHER WITH all existing and future water rights, for irrigation, stockwatering, domestic or any other use, or drainage of all or any part of said lands, including vested water rights, permitted water rights, decreed water rights and certificated water rights arising under the laws of the State of Nevada, together with all certificates of appropriation, applications, proofs, permits and maps relating to such water and water rights which are appurtenant to the above-described real property, or any part thereof, or used or enjoyed in connection therewith or with federal domain grazing land appurtenant or attached thereto.

COPY

BOOK 310 PAGE 298

BOOK 310
PAGE 291
OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
Stewart & Co.
97 AUG - 8 AM 10: 01
EUREKA COUNTY NEVADA
M.N. REBAL EATI, RECORDER
FILE NO. 1400
167591

DECLARATION OF VALUE

Recording Date Aug 8, 1997 Book 310 Page 291 Instrument # 167591

Full Value of Property Interest Conveyed

\$ 625,000.00

Less Assumed Liens & Encumbrances

-

Taxable Value (NRS 375.010, Section 2)

\$ 625,000.00

Real Property Transfer Tax Due

\$ 812.50

If exempt, state reason. NRS 375.090, Section 2 Explain: _____

APN#:

INDIVIDUAL		ESCROW HOLDER	
Under penalty of perjury, I hereby declare that the above statements are correct.		Under penalty of perjury, I hereby declare that the above statements are correct to the best of my knowledge based upon the information available to me in the documents contained in the escrow file.	
Signature of Declarant		Signature of Declarant	
Name (Please Print)		Name (Please Print)	
Address		Address	
City State Zip		City State Zip	
		Elko, Nevada 89801	

INDIVIDUAL		ESCROW HOLDER	
Under penalty of perjury, I hereby declare that the above statements are correct.		Under penalty of perjury, I hereby declare that the above statements are correct to the best of my knowledge based upon the information available to me in the documents contained in the escrow file.	
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Address		Address	
City State Zip		City State Zip	
		Elko, Nevada 89801	