

Assessor's Parcel No. 08-260-01

Recorded at the request of
and when recorded return to:

26 Ranch, Inc.
c/o Thomas P. Erwin
Erwin & Thompson LLP
One E. Liberty St., #424
Reno, NV 89501

BOOK 402 PAGE 204-206
OFFICIAL RECORDS
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Erwin & Thompson LLP
2004 DEC 22 PM 4:45

EUREKA COUNTY, NEVADA
M.N. REBALEATI, RECORDER
FILE NO. FEES 41.00

194670

Expungement of Judgment

This Expungement of Judgment is made by Maynard Alves ("Alves"), whose address is care of Barry L. Breslow, Robison, Belaustegui, Sharp & Low, 71 Washington Street, Reno, Nevada 89503, and 26 Ranch, Inc., a Colorado corporation ("26 Ranch"), whose address is 13949 W. Colfax Avenue, Bldg. 1, Suite 205, Lakewood, Colorado 80401.

Recitals

- A. Alves is plaintiff and 26 Ranch is defendant in the action commenced against 26 Ranch in the Second Judicial District Court (the "Court"), Washoe County, Case No. CV02-01066 (the "Action"). On January 8, 2004, the Court entered its Order Granting Motion for Judgment Based on Jury Verdict (the "Judgment").
- B. On January 16, 2004, Alves recorded a copy of the Order Granting Motion for Judgment Based on Jury Verdict in the Office of the Elko County Recorder, Document 512921, Book 4, Page 1738, and in the Office of the Eureka County Recorder, Document 184936, Book 373, Pages 341-346.
- C. 26 Ranch filed certain post-trial motions in the Action and has informed Alves that 26 Ranch intends to appeal the Judgment.
- D. 26 Ranch has agreed to provide security for the Judgment when it is final and nonappealable and has agreed that as a condition of the Court's stay of the Judgment pending resolution of the post-trial motions and an appeal to the Nevada Supreme Court, 26 Ranch will grant to Alves a lien and security interest in certain assets.
- E. Alves has agreed to accept 26 Ranch's grant of a lien and security interest in certain assets described in the Deed of Trust which 26 Ranch agreed to execute, deliver and record in lieu of 26 Ranch's posting of a supersedeas bond to secure the Judgment when final and nonappealable.

F. In accordance with the parties' agreement and in consideration of 26 Ranch's grant of a lien and security interest in the assets described in the Deed of Trust, Alves has agreed to expunge the Judgment and release the statutory lien created by recording of the Judgment from 26 Ranch's assets, on the terms of this Expungement.

Now, therefore, the parties agree as follows:

1. Alves discharges, expunges and releases the Judgment from the records of the county recorder of each county in which the Judgment has been recorded and releases the statutory lien created by the recording of the Judgment. This Expungement is not, and should not be construed to be, a discharge or release of the Judgment itself or the obligations of 26 Ranch to Alves arising from or under the Judgment, and is executed and delivered solely for the purpose of clearing the recorded Judgment as an encumbrance and judgment lien against the assets of 26 Ranch.
2. The discharge, expungement and release of the statutory lien created by recording of the Judgment shall be effective on the recording of this Expungement which follows the recording of the Deed of Trust executed by 26 Ranch.
3. The Deed of Trust executed by 26 Ranch will supersede the recorded Judgment as a lien against 26 Ranch's assets and the lien and security interest granted by 26 Ranch to Alves under the Deed of Trust will supersede the statutory lien created on recording of the Judgment.

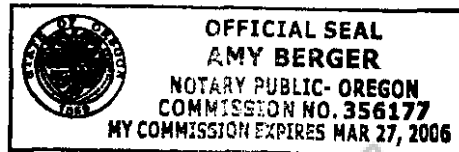
Dated effective October 4, 2004, 2004.

Maynard Alves
Maynard Alves

26 Ranch, Inc.

By Stephen D. Alfes
Stephen D. Alfes, President

STATE OF Oregon)
SS.
COUNTY OF Deschutes)



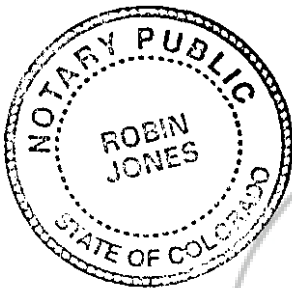
This Expungement of Judgment was acknowledged before me on
October 15, 2004, by Maynard Alves.

Amy Berger
Notary Public

STATE OF COLORADO,)
SS.
COUNTY OF JEFFERSON.)

This Expungement of Judgment was acknowledged before me on
October 4 2004, by Stephen D. Alfes, as President of 26 Ranch, Inc.

Robin Jones
Notary Public



My Commission Expires
July 10, 2008