

A.P. No. Portion 011-050-08

FILED FOR RECORDING
AT THE REQUEST OF**WHEN RECORDED MAIL TO:**Ramon Schmutz
HCR 61 - Box 75
Hiko, NV 89017

Ramon Schmutz

2004 JUL 16 PM 2 02

LINCOLN COUNTY RECORDED

FEE 170

LESLIE BOUCHER

DEPT 110

MEMORANDUM OF AGREEMENT

WHEREAS, on January 27, 2001 the undersigned Ramon Harmon Schmutz, as trustee of the Ramon Harmon Schmutz 1991 Nevada Trust (hereinafter "**Schmutz**") and Robert T. Cannon and Kathryn R. Cannon, Trustees of the Robert T. and Kathryn R. Cannon Family Trust dated October 22, 1997 (hereinafter "**Cannon**"), entered into a Land Purchase Agreement (hereinafter the "**Agreement**") pertaining certain lands situate in the County of Lincoln, State of Nevada.

and;

WHEREAS, pursuant to the terms of the "Agreement", "Schmutz" has sold and conveyed said lands to "Cannon" by GRANT, BARGAIN and SALE DEED, recorded April 10, 2001 Instrument No. 116188 Official Records of Lincoln County.

and;

WHEREAS, the "Agreement" contains, among other matters, a covenant prohibiting improvements to a portion of the subject lands; and, through their execution and recordation of this instrument, the undersigned hereby express their mutual desire and intent to establish the existence of said covenant in the Official Records of Lincoln County.

NOW THEREFORE, the undersigned "Schmutz" and "Cannon" hereby acknowledge, agree and declare that the lands described upon **Exhibit "A"** attached hereto and made part hereof were conveyed and acquired subject to the following covenant as set forth in the "Agreement";

Buyer ("Cannon") covenants and agrees that no improvements will be constructed, erected or otherwise caused to be built on 3.038 +/- acre portion of the Lois Potter Field during the natural lives of Ramon and Revella Schmutz, and their heirs. It is agreed by Buyer that the land purchased will remain in "AS IS" condition and will remain free of any improvements during the lives of Ramon and Revella Schmutz and their Heirs. In the event seller ("Schmutz") thereafter sells the Frehner property to "Cannon" or another third party, the covenant not to construct on the 3.038 +/- portion of the Lois Potter Field granted herein shall be null and void and be of no further force or effect, although Ramon and Revella may still be alive.

(continued...)

EXHIBIT "A"

LEGAL DESCRIPTION

ALL THAT REAL PROPERTY SITUATED IN THE COUNTY OF LINCOLN, STATE OF NEVADA,
BOUNDED AND DESCRIBED AS FOLLOWS:

THAT LAND ADDED TO THE CANNON NEVADA CORPORATION PROPERTY WHICH ADDITION IS
IN THE WEST ½ OF THE WEST ½ OF THE NORTHEAST ¼ OF SECTION 23, TOWNSHIP 4 SOUTH,
RANGE 60 EAST, MDM., SHOWN ON THE RECORD OF SURVEY BOUNDARY & FENCELINE
AGREEMENT SURVEY RECORDED PLAT BOOK B, PAGE 362 SHEET TWO OF LINCOLN COUNTY,
NEVADA RECORDS AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID PROPERTY ON THE INTERSECTION OF THE
EAST-WEST FENCELINE AND THE NORTH-SOUTH SECTION 23 CENTERLINE, FROM WHICH THE
NORTHWEST CORNER OF SAID SECTION 23 BEARS NORTH 63 DEGREES 23' 07" WEST 2965.42
FEET (AN AXLE STEEL IN A MOUND OF STONE AT AN EXISTING FENCE CORNER); THENCE
NORTH 89 DEGREES 57' 12" EAST 303.20 FEET TO AN EXISTING FENCE CORNER; THENCE
SOUTH 03 DEGREES 23' 35" WEST 459.50 FEET ALONG SAID FENCE TO A FENCE ANGLE POINT
AND INTERSECTION OF A FENCE TO THE WEST; THENCE NORTH 89 DEGREES 45' 30" WEST
274.43 FEET ALONG SAID FENCE; THENCE NORTH 00 DEGREES 11' 54" WEST 457.79 FEET
ALONG THE CENTER OF SECTION LINE TO THE POINT OF BEGINNING.

end

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MEMORANDUM OF AGREEMENT – COUNTERPART SIGNATURE PAGE

IN WITNESS WHEREOF, the undersigned have executed this Memorandum of Agreement this 14 day of June, 2004.

The Ramon Harmon Schmutz 1991 Nevada Trust
Executed on the 20th day of March 1991

By Ramon Harmon Schmutz Trustee**
Ramon Harmon Schmutz, trustee
(see attached notary)

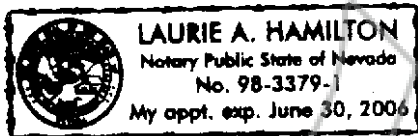
** Original Signature attached.
Signed in Counterpart.

The Robert T. and Kathryn R. Cannon Family
Trust dated October 22, 1997

By Robert T. Cannon
Robert T. Cannon, trustee

By Kathryn R. Cannon
Kathryn R. Cannon, Trustee

This instrument was acknowledged before me on
July 7, 2004 by Robert T. & Kathryn R. Cannon.



Laurie A. Hamilton

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MEMORANDUM OF AGREEMENT – COUNTERPART SIGNATURE PAGE

IN WITNESS WHEREOF, the undersigned have executed this Memorandum of Agreement this 14 day of June, 2004.

The Ramon Harmon Schmutz 1991 Nevada Trust
Executed on the 20th day of March 1991

By Ramon Harmon Schmutz Trustee
Ramon Harmon Schmutz, trustee
(see attached notary)

NEVADA SHORT-FORM INDIVIDUAL ACKNOWLEDGMENT N.R.S. 240.166

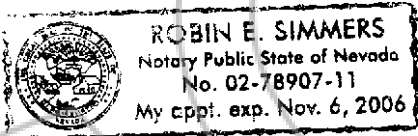
State of Nevada

County of Lincoln } ss.

This instrument was acknowledged before me on this
the 14 day of June, 2004, by
Day Month Year

(1) Ramon Harmon Schmutz - Trustee
Name of Signer

(2) and none
Name of Signer



Robin E. Simmers
Signature of Notary Public

OPTIONAL

Though the information in this section is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Memorandum of Agreement

Document Date: 6-14-04 Number of Pages: 1

Signer(s) Other Than Named Above: none

RIGHT THUMBPRINT OF SIGNER #1
Top of thumb here

RIGHT THUMBPRINT OF SIGNER #2
Top of thumb here

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