

Lincoln County

CONTRACT OF SALE

This Agreement, made and entered into as of the 1st day of July, 1985, by and between WESTERN MINE SERVICES, INC., a Delaware Corporation, hereinafter referred to as "Seller", whose address for the purpose of this contract is Caselton, Pioche, Nevada 89043, and Garry and Marie McBride, husband and wife, hereinafter referred to as "Purchaser", whose address is SR Box 113, Pioche, Nevada 89043.

1. The Property. Exhibit A attached hereto depicts 30 individually numbered parcels of land located in Lincoln County, Nevada. Parcel 3 on said Exhibit A and the improvements thereon is the subject of this Contract of Sale and will hereinafter be referred to as the "Property".
2. Purchase and Sale. Purchaser hereby agrees to purchase and Seller hereby agrees to sell the Property, together with the exclusive right to use the surface of said Parcel 3, for so long as Seller shall have the right to such use of the surface, as reserved from its predecessor Trustee's sale of the Property to Kerr McGee Corporation.
3. Purchase Price. The purchase price shall be twenty-five thousand dollars (\$25,000) payable as follows:
 - a. Two thousand two hundred fifty dollars (\$2,250) in cash, the receipt of which is hereby acknowledged.
 - b. The remaining balance of twenty-two thousand seven hundred fifty dollars (\$22,750) shall be payable in monthly installments of principal and interest at the rate of eleven and one-half percent (11½%) per annum, at the rate of one hundred fifty dollars (\$150) per month until paid in full, with the first monthly payment being due and payable on the 25th day of July, 1986. Notwithstanding the provisions hereof, the entire remaining balance of principal and interest shall be due and payable upon any written undertaking of Purchaser to resell the Property, or a sale or transfer of title or of possession of the Property by the Purchaser, at the option of Seller. All payments shall be made at Seller's address, or at such other place as may be hereafter instructed in writing.
4. Possession Date. Seller shall deliver possession of the Property to Purchaser on or before the 1st day of July, 1986, which possession Purchaser hereby acknowledges. From or after that date, the risk of loss in the event of damage by fire or otherwise shall be borne by Purchaser.
5. Insurance. Purchaser shall, at the time it takes possession, deliver to Seller a policy or certificate of insurance for not less than twenty-four thousand dollars (\$24,000) pursuant to which Seller shall be named as the loss payee in the event of fire or destruction of the Property or any portion thereof. Purchaser shall maintain said insurance in effect at all times and assure that Seller has satisfactory evidence of such insurance at all times.
6. Prorations. Taxes, insurance and all other proratable items shall be prorated as of the day of delivery of possession.
7. Acknowledgement by Purchaser. Purchaser acknowledges and affirms to Seller that, (i) Purchaser understands that the Property being purchased

Lincoln County

hereunder consists solely of the structure, in its "as-is" condition, located on the Parcel, together with such right as the Seller has to the use of the surface of said Parcel, that purchaser is not obtaining ownership of the land underlying said Parcel by virtue of this Contract of Sale, and that Seller makes no warranties or representations, express or implied, with respect to such surface right; and, (ii) that Seller makes no representations or warranties, express or implied, with respect to, nor is Seller in any way responsible to Purchaser for any services to the Property, including, but not limited to, roads, fire protection, utilities (gas, water, electricity, telephone) or security.

8. Taxes and Insurance. From and after delivery of possession by Seller to Purchaser, Purchaser shall promptly pay all taxes and any increase thereon, assessments and insurance premiums and all other expenses applicable to the operation and maintenance of the Property.

9. Delivery of Deed by Seller. Upon Purchaser's complying with all of the terms hereof, including, but not limited to the payment of all of the principal and interest owing hereunder, Seller shall immediately deliver a Quitclaim Deed to Purchaser conveying whatever title to the Property that Seller may have.

10. Escrow. Simultaneously with Seller's execution hereof, Seller shall make and execute a Quitclaim Deed to the Property wherein Seller is Grantor and Purchaser is Grantee and, simultaneously with the purchaser's execution hereof, Purchaser shall make and execute a Quitclaim Deed to the Property wherein Purchaser is Grantor and Seller is Grantee. At the first opportunity following the execution hereof, a copy of this Contract of Sale and both of said Deeds shall be deposited with a Commercial Bank or Title Company satisfactory to both Seller and Purchaser, together with appropriate instructions respecting the escrow of such Deeds. Said escrow holder shall have no liability or responsibility whatsoever, except to keep and hold said Deeds in a safe place and to deliver said Deeds to Seller or to Purchaser upon receipt of written instructions in accordance with the escrow instructions executed by both Seller and Purchaser. Seller and Purchaser hereby agree that said escrow holder shall be held free and harmless and they further indemnify it from any and all demands, claims, or liability of any kind or nature whatsoever arising out of or in connection with said escrow or in connection with the sale of said Property.

11. Default by Purchaser. In the event that Purchaser, after written notice of default, addressed to Purchaser at the address of the Property herein, shall fail for a period of ten (10) days after they become due, to pay any of the sums in this contract agreed to be paid by the Purchaser, or shall fail to comply with any other covenant or condition of this contract, on its part to be performed, then fifteen (15) days after delivery of said written notice:

- a. The Seller shall be released from all obligations in law or equity to convey the Property to the Purchaser; and
- b. The Purchaser shall forfeit all rights to the Property and to possession thereof; and
- c. Seller shall have an immediate right to take possession of the Property, it being agreed that the relationship between the parties shall be that of landlord and tenant, with the Seller authorized to maintain summary proceedings for the removal of the Purchaser from the Property; and

Lincoln County

d. Payments theretofore made by the Purchaser pursuant to this contract shall be credited by the Seller to the reasonable rental value of the Property during the period the Purchaser had the use and occupancy of the Property and to any repairs, expenses, costs and legal fees as a result of Purchaser's default.

12. Time of Essence. Time is hereby expressly declared to be the essence of this contract.

13. Attorneys Fees. In case either Seller or Purchaser should be required to institute litigation for enforcement or violation of any covenant or condition of this contract then the prevailing party shall be entitled to all costs incurred in connection therewith, including reasonable attorneys' fees.

14. Binding Effect. This contract shall be binding upon and shall inure to the benefit of the heirs, personal representatives, successors and assigns of the parties hereto, but nothing in this paragraph shall be construed as a consent by Seller to any assignment of this contract or any interest therein by Purchaser.

15. Waiver. The waiver of any breach of this contract by either party shall not constitute a continuing waiver or a waiver of any subsequent breach either of the same or of another provision of this Agreement.

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

PURCHASER:

SELLER:

WESTERN MINE SERVICES, INC.
A Delaware Corporation

Garry D. McBride

By: *J. P. Atkinson*

Marie McBride

STATE OF NEVADA)
) ss.
COUNTY OF LINCOLN)

On this 27 day of June, 1986, before me, Notary Public, appeared Garry McBride and Marie McBride, who stated that they have executed the foregoing contract of sale as their own act and deed.



Mara L. Condie
NOTARY PUBLIC

Lincoln County

STATE OF *New York*)
COUNTY OF *New York*) ss.

On this *12th* day of *June*, 1986, before me, Notary Public, appeared Lawrence T. Atkinson, who stated that he is the President of Western Mine Services, Inc. and that he executed the foregoing contract of sale by order of the corporation's Board of Directors.

Lotte S. Shiff
NOTARY PUBLIC

LOTTE S SHIFF
Notary Public, State of New York
No 31-657522
Qualified in No. *309* County
Commission Expires *12-31-88*

No. 85221
FILED AND RECORDED AT REQUEST OF
Garry McBride
June 27, 1986
AT 20 MINUTES PAST 11 O'CLOCK
AM IN BOOK 71 OF OFFICIAL
RECORDS, PAGE 169 LINCOLN
COUNTY, NEVADA.

YURIKO SETZER
COUNTY RECORDER
By *Maria Lopez*, Deputy