

CONTRACT OF SALE

This Agreement, made and entered into this day of September, 1990, by and between N. Caroline Ward, an individual, (hereinafter referred to as "Seller"), whose address for the purpose of this contract is 2240 Lindley Way, Reno, Nevada 89509, and John R. Heath ~~and~~ Zena L. Heath, (hereinafter referred to as "Purchaser"), whose address is P.O. Box 118, Pioche, Nevada 89043.

1. **THE PROPERTY:** Exhibit A attached hereto depicts thirty individually numbered parcels of land located in Lincoln County, Nevada. Parcel 26 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 26, 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 five hundred dollars (\$2,500) in cash, the receipt of which is hereby acknowledged.
 - b. The remaining balance of twenty-two thousand five hundred dollars (\$22,500) shall be payable in monthly installments of principal and interest at the rate of eleven and one-half percent (11 1/2%) per annum, at the rate of three-hundred seventeen and seventy-six one-hundredths dollars (\$317.76) per month until paid in full, with the first monthly payment being due and payable on the 1st day of October, 1990. 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 30th day of September, 1990 which possession Purchaser hereby acknowledges. From and 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, on execution of this agreement, 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 delivery of possession.
7. **RESTRICTIVE COVENANTS.** Purchaser hereby agrees to comply with the following restrictive covenants at all times during and after the term of this agreement, to require such compliance of any tenant, guest, purchaser or other occupant of the Property, and agrees that such restrictive covenants are an absolute and irrevocable condition of Seller's sale to Purchaser and that such covenants will appear in and be a condition of all deeds to the Property from the date of this Contract of Sale until the end of time, to wit:
 - a. No business or commercial enterprise shall be conducted on or from the Property; and
 - b. No junk, trash, unused automobiles or heavy equipment shall be parked, stored or abandoned on the Property; and
 - c. All buildings, structures, fences and enclosures at any time located on the Property shall be maintained in attractive and good condition at all times.
 - d. Any violation of this provision shall require payment by Purchaser or Purchaser's successor of liquidated damages to the Seller in the amount of \$10 per day for each day such violation shall exist after written notice thereof.
8. **RIGHT OF FIRST REFUSAL.** Purchaser agrees with Seller that at any time Purchaser undertakes to sell or option his (their) rights in the Property to any other purchaser, Seller shall have the right, and shall first be afforded the opportunity, to purchase or option the Property upon the same terms and conditions as such other purchaser shall have offered. This "Right of First Refusal" shall be implemented by Purchaser notifying Seller in writing, delivered by certified mail, that a bonafide offer to purchase or option the Property has been made and by enclosing with his written notice a true and complete copy of such offer disclosing all of the terms thereof. Upon receipt of Purchaser's written notice, if Seller wishes to purchase or option the Property upon the same terms set forth in said notice and offer, it shall so advise Purchaser in writing within fifteen days and thereafter proceed diligently to close such purchase, and Purchaser shall not make any other agreement to sell or option the Property.
9. **ACKNOWLEDGEMENT BY PURCHASER.** Purchaser acknowledges and

affirms to Seller that, (i) Purchaser understands that the Property being purchased 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.

10. **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 occupancy and maintenance of the Property.
11. **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.
12. **ESCROW.** In the event that Purchaser desires that title to the Property be held in escrow pending his having complied with all provisions of this Contract of Sale, including having paid the full amount of all payments due or to become due hereunder, Purchaser may arrange for a title or escrow company (the "Escrow Agent") to hold deeds to the Property for subsequent delivery. In the event that Purchaser so desires that an Escrow Agent be appointed, Seller shall make and execute a Quitclaim Deed to the Property wherein Seller is Grantor and the Purchaser is Grantee and, simultaneously with the Purchaser's execution thereof, Purchaser shall also make and execute a Quitclaim Deed to the Property running from Purchaser to Seller, to be delivered to Seller by the Escrow Agent in the event of Purchaser's default hereunder. Both of said Deeds, and appropriate escrow instructions executed by both Purchaser and Seller, shall thereupon be forwarded to the Escrow Agent. The Escrow Agent 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 in accordance with the written instructions to which it has agreed. Seller and Purchaser hereby agree that said Escrow Agent shall be held free and harmless from all loss and expense 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.

13. **DEFAULT BY PURCHASER.** Payment of all monies becoming due hereunder by the Purchaser and the performance of all covenants and conditions precedent to the performance by the Seller of the covenants and conditions of the contract are to be kept and performed by the Seller. In the event the Purchaser, after written notice of default, addressed to the Purchaser at the address of the Property herein, shall fail for a period of ten (10) days to cure any violation of any requirement of this agreement or fail to pay any sum owing pursuant to this contract or should the Purchaser fail to further comply with any of the covenants or conditions 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;
 - b. The Purchaser shall forfeit all rights to the Property or to possession thereof;
 - c. Seller shall have an immediate right to take possession of the Property, it being agreed that the relationship between the parties shall thereupon be that of landlord and tenant, with the Seller authorized to maintain summary proceedings for the removal of the Purchaser from the Property.
 - 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.
14. **TIME OF ESSENCE.** Time is hereby expressly declared to be the essence of this contract.
15. **ATTORNEYS FEES.** In case either Seller or Purchaser should be required to institute litigation for violation of any covenant or condition of this Agreement, then the prevailing party shall be entitled to all costs incurred in connection therewith, including reasonable attorney's fees.
16. **BINDING EFFECT.** This Agreement 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 Agreement or any interest therein by Purchaser.
17. **WAIVER.** The waiver of any provision of this Agreement by either party shall not constitute a continuing waiver or a waiver of any subsequent breach either of the same or another provision of this Agreement.

In Witness Whereof, the parties hereto have set their hands the year and day first above written.

PURCHASER:

SELLER:

John R. Heath
John R. Heath

Zena L. Heath
Zena L. Heath

N. Caroline Ward

State of Nevada)
County of Lincoln) ss.

On this 14th day of September 1990, personally appeared before me, a Notary Public, John R. Heath and Zena L. Heath, who acknowledged to me that they executed the foregoing instrument.

Judy A. Etchart
Notary Public

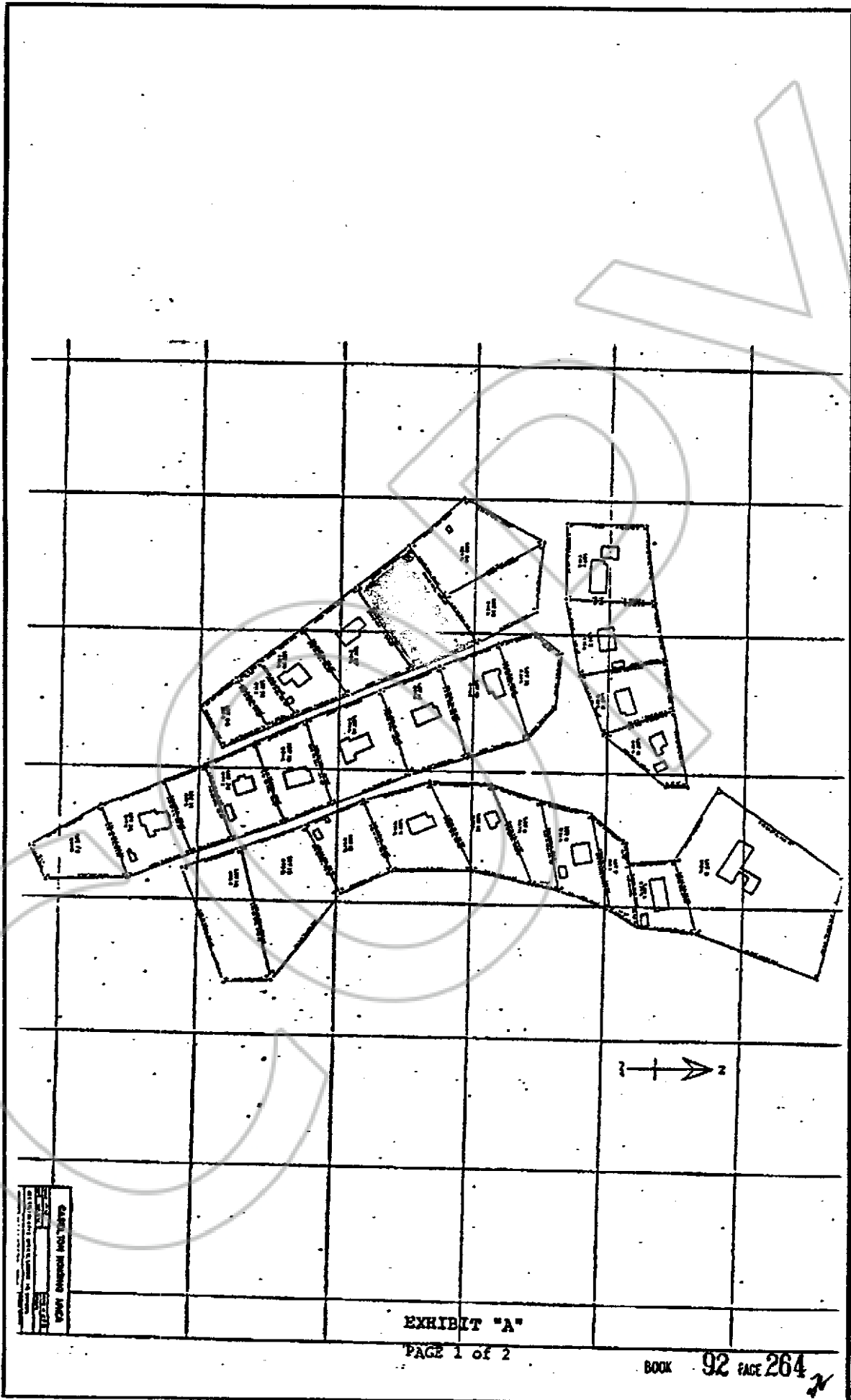


State of Nevada)
County of) ss.

On this day of , 1990, personally appeared before me, a Notary Public, N. Caroline Ward, who acknowledged to me that she executed the foregoing instrument.

Notary Public

Lincoln County



PLAT NO. 10000
BOOK 92 PAGE 264

EXHIBIT "A"

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BOOK 92 PAGE 264

EXHIBIT A

Caselton Housing Lot Number 26

Survey Description

August 1980

Commencing at a point which is S 27° 57' W and a distance of 4,757.0 feet from the NW corner of Section 28, Township 1 North, Range 67 East, MDB&N, and known as the Hoover Dam-Pioche Power Line Station 36+51.6, which is the intersection of the Hoover Dam-Pioche Power Line with the center line of the Prince Mine Railroad; proceed S 55° 50' 20" E a distance of 1,004.7 feet to survey station CMR 1001; thence N 51° 14' 20" E a distance of 2,392.76 feet to survey station CMR 1002; thence S 26° 02' 58" E a distance of 190.75 feet to survey station CMR 1011; thence S 39° 34' 46" E a distance of 504.27 feet to corner No. 1 of Lot 26, this point being the beginning of the Lot 26 survey; thence N 39° 34' 46" W a distance of 125.6 feet to Corner No. 2 of Lot 26; thence N 53° 48' 36" E a distance of 225.30 feet to Corner No. 3 of Lot 26; thence S 23° 03' 25" E a distance of 131.15 feet to Corner No. 4 of Lot 26; thence S 54° 31' 25" W a distance of 188.1 feet to Corner No. 1, this point being the beginning of this survey.

The property consists of 0.60 acres more or less. Three-quarter inch pipes have been set at all property corners.

No. 094972
 FILE A RECORDED AT _____
John R. Heath
18 September 1990
 AT 30 _____ 10 _____
 A _____ 92 _____ OFFICE
 RECO _____ 259 _____ LINCO-
 CO NV, NEVADA
 FRANK C. HULSE COUNTY RECORDER