

## PURCHASE OPTION AGREEMENT

THIS AGREEMENT, made and entered into this 9th day of June, 1983, by and between Robert O. and Elaine W. Burnham, whose address is Diamond Valley Route Box 33, Eureka, Nevada 89316, hereinafter known as First Party, and James L. Moyle and Martin H. Hanson, whose address is P.O. Box 128, Eureka, Nevada 89316, herein known as Second Party

WHEREAS, in consideration of the payment by Second Party to First Party of the sum of Ten (\$10.00) Dollars, receipt thereof which is acknowledged by First Party, First Party hereby gives Second Party the EXCLUSIVE RIGHT TO PURCHASE for a period to, and including 5 o'clock p.m. of the 1st day of April, 1984, time being of the essence of this agreement, the real property hereinafter described, together with any and all water rights appurtenant thereto, providing certain minimum development work is fully accomplished by Second Party during the summer of 1983 and as is described herein below -

All of Section 30, Township 23 North, Range 54 East, MDB&M, excepting a 100 foot (100') radius quarter circle access originating at the southeast corner of the southeast quarter of said section 30, consisting of 7854 square feet (more or less) and under the following terms and conditions -

(1) The purchase price thereof shall be the sum of One Hundred Ninety-Two Thousand and Ten (\$192,010.00) Dollars which is and shall be payable as follows

(a) The sum of Ten (\$10.00) Dollars, receipt thereof made to and acknowledged by the First Party, on May 26, 1983.

(b) The sum of Sixty Thousand Dollars (\$60,000.00) in cash, shall be paid, in cash, by Second Party to First Party on April 1, 1984.

(c) The balance, in the sum of One Hundred Thirty Two Thousand (\$132,000.00) Dollars shall be paid by Second Party to First Party on the following dates

|             |                  |
|-------------|------------------|
| \$20,000.00 | on April 1, 1987 |
| \$18,682.00 | on April 1, 1988 |
| \$18,682.00 | on April 1, 1989 |
| \$18,682.00 | on April 1, 1990 |
| \$18,682.00 | on April 1, 1991 |
| \$18,682.00 | on April 1, 1992 |
| \$18,682.00 | on April 1, 1993 |
| \$18,682.00 | on April 1, 1994 |
| \$18,682.00 | on April 1, 1995 |
| \$18,682.00 | on April 1, 1996 |

(2) Coincidentally with the payables of the above mentioned \$60,000.00 Second Party will deliver to First Party a deed of trust securing a note in the principle amount of \$132,000.00, dated April 1, 1984, with schedule of payments as noted in Item (1), part (c), above, and said note to draw nine percent (9%) annual interest beginning April 1, 1987 on the unpaid balance. However, at the request of the Second Party,

First Party agrees to release a portion of the purchase money deed of trust described as the South half of Section 30, Township 23 North, Range 54 East, MDB&M. Second Party agrees to notify, by way of escrow instructions, First Party of its intent to convey said trust deed property to a third party. If a first deed of trust is conveyed to a third party, Second Party will execute a second deed of trust to First Party securing the abovementioned note.

(3) It is mutually agreed and understood by and between both parties that a performance of minimum development work and the installation of certain equipment of farming, by Second Party, at the exclusive expense and effort of Second Party only, gives continuing life to this agreement. Accordingly,

(a) During the summer of 1983, Second Party agrees to and will prepare and plant the areas on the south half of said Section 30 as will be covered by two pivot sprinklers.

(b) Second Party will contract with and be solely responsible to Mt. Wheeler Power Company to have electrical power installed to the two well sites now existing on the south one-half of said Section 30.

(c) Second Party will contract for and cause to be installed two (2) complete pivot sprinkler systems designed to irrigate a minimum of 130 acres each on the southeast and the southwest quarters of said Section 30. Any water delivery facilities and equipment in the nature of pipeline, etc. from the respective well sites to the center of each pivot to be included.

(d) The installation of two assemblies, one at each respective well site, of an electric motor and electric panel, designed to service said motor and pivot sprinkler installation, pump column and discharge head, bowl assembly and tube and shafting.

(4) Second Party exercising this Right to Purchase shall be so personally, in writing, on or before 5 p.m., March 15, 1984.

(5) Within 5 (five) days of delivery of above notice of Right to Purchase, the parties hereto shall open up an escrow with Frontier Title Company of Elko, Nevada, using the standard buyer and seller escrow instructions employed by said Title Company.

(6) Simultaneously with the opening of said escrow and the execution of the escrow, instructions by both of the parties hereto, Second Party shall deposit in said escrow the purchase price hereinabove provided to be paid, including but not by way of limiting the generality of the foregoing, the purchase price deed of trust and note hereinabove provided for duly executed by Second Party. He shall also at said time, deposit in said escrow sufficient cash to cover his estimated portion of the buyer's charges, said estimating to be done by the said escrow holder.

(7) Simultaneously with the opening of said escrow and the execution of the escrow instructions by both of the parties hereto, First Party shall deposit in said escrow a grant deed wherein and whereby he grants the hereinabove described real property to James L. Moyle and Martin H. Hanson, as tenants in common, together with sufficient cash to cover his estimated portion of the seller's charges, said estimating to be done by said escrow holder.

(8) Said escrow instructions shall provide for the delivery by the escrow holder to First Party of the purchase price and of the delivery by the escrow holder to Second Party of the abovementioned grant deed, of any written leases of the real property hereinabove described if the sale is subject thereto (together with written assignments thereof from First Party to Second Party) and of the insurance, if any, when they hold the purchase price for First Party and when they hold for Second Party the usual form policy of title insurance issued by Frontier Title Company, with liability not exceeding \$192,000, showing title in the hereinabove described real property vested in James L. Moyle and Martin H. Hanson, as tenants in common.

SUBJECT ONLY TO

(a) Real estate taxes for the fiscal year 1983-1984.  
(b) Covenants, conditions, restrictions, reservations, rights, rights of way, and easements of record (but in no event shall any of the covenants, conditions, restrictions, reservations, rights, rights of way, and easement of record be different than those in existence at the time of the execution of this option agreement, unless the parties hereto shall so mutually agree by so stating in the escrow instructions hereinabove provided for).

(9) The escrow instructions shall provide that First Party shall pay for (1) the expense of said policy of title insurance, (2) 50% of the escrow fee, (3) for the internal revenue stamps required on said sale, (4) for all expenses necessary in order to place title in the condition called by the escrow instructions, including but not by way of limiting the generality of the foregoing, and the cost of the preparation of the grant deed.

(10) The escrow instructions shall provide that Second Party shall pay for (1) the expenses of the preparation of the deed(s) of trust and the deed(s) of trust note(s), (2) for the expenses of recording the grant deed from First Party to Second Party, and (3) for 50% of the escrow fee.

(11) Said escrow instructions shall provide that taxes for the fiscal year 1983-1984 be pro-rated to close of escrow. FROM JUNE 1, 1983. J.L.M. R.E.B. sub 9/1/84.

(12) Said escrow instructions shall state that time is of the essence and that if the escrow is not in condition to be closed by April 1, 1984, any party who then shall have fully complied with his instructions may, in writing, demand a cancellation of the escrow and the return of his money and/or property, but if no such demand is made, the escrow is to be closed as soon as possible.

(13) If Second Party shall fail to notify First Party within the life of this option, of his election to purchase hereunder or if, after giving such notice, Second Party shall either fail to execute the escrow instructions within the time herein limited or shall fail to make the deposit of the purchase price in escrow with said escrow holder within the time limit therein provided, this option shall be thereafter null and void. First Party shall no longer be bound thereby, and the amount paid as consideration for this option (\$10.00) shall be retained by First Party as full consideration for granting this option and for holding the hereinabove described real property for the hereinabove mentioned time. However, if



Second Party shall duly elect to exercise this option in accordance with the terms thereof and shall comply with all of the terms and provisions of this option agreement on his part to be performed, then said sum of \$10.00 paid as consideration for this option shall be credited upon the cash portion of the purchase price.

(14) If, during the course of this agreement, the Division of Water Resources for the State of Nevada, determines that no extension of time is available under permit # 40402 and, consequently, a well must be drilled on said aforementioned property, First Party agrees to pay not more than one-half (1/2) of the total minimum costs involved to drill a three hundred (300') foot- sixteen (16") inch diameter quarterwall well that will meet minimum Division of Water Resources requirements.

(15) Second Party agrees to accept the aforementioned property from First Party on an as-is, where-is basis.

(16) Whenever the context shall so require, the terms First Party and/or Second Party, as used in this agreement, shall include the plural as well as the singular number, and the masculine gender includes the feminine as well as the neuter.

(17) This agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators and assigns of First Party and of Second Party, respectively.

DATED at Eureka, NV  
June 9, 1983

Robert O. Burnham  
Robert O. Burnham

Elaine W. Burnham  
Elaine W. Burnham

James L. Moyle  
James L. Moyle

Martin H. Hanson  
Martin H. Hanson

State of Nevada }  
County of Eureka } ss.

On June 9, 1983, before me, the undersigned, a Notary Public in and for said State, personally appeared Robert O. Burnham, Elaine W. Burnham, James L. Moyle, & Martin H. Hanson, known to me to be the persons whose names subscribed to the within instrument and acknowledged that they executed the same.

WITNESS my hand and official seal.

N. Jane Moyle  
N. Jane Moyle

SEAL  
Affixed

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RECORDED AT REQUEST OF  
James L. Mayle  
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OFFICIAL RECORDS  
EUREKA COUNTY, NEVADA  
H.M. REBALEATI, RECORDER  
FILE NO. 87711  
FEE \$ 8.00

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