

CONTRACT OF PURCHASE AND SALE

THIS CONTRACT OF PURCHASE AND SALE, made and entered into this 3rd day of May, 1993, by John R. Hovious, and Judith Hovious, his wife, of Eureka County, Nevada, First Parties and Sellers; and A. G. Farm Commodities, Inc., a corporation of Nevada, Gary R. Betschart, sole member and responsible party, president, and buyer.

W I T N E S S E T H :

That the said first Parties, for and in consideration of the sum of TEN DOLLARS, (\$10.00), lawful current money of the United States of America, to them in hand paid by the Second party, the receipt whereof is hereby acknowledged, and for other good and valuable consideration as stated herein, hereby agrees to sell unto the Second Party, and the Second Party agrees to purchase from the First Parties all that certain real and personal property situate, lying and being in the County of Eureka, State of Nevada, more particularly described as follows:

REAL PROPERTY:

TOWNSHIP 21 NORTH, RANGE 53 EAST, M.D.B. & M.
Section 26: NW 1/4 160 acres, more or less
TOGETHER with all equipment and improvements situate thereon.

TOGETHER with the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues, and profits thereof including CRP payments on 30.7 acres, issued annually until the expiration of the CRP contract with the U. S. Government.

TOGETHER with all permits to appropriate the waters of the State of Nevada issued by the state Engineer's Office of the State of Nevada together with all certificates of appropriation and any and all applications to appropriate the waters of the State of Nevada which are appurtenant to the above described parcels of real property or any part thereof, and used or enjoyed in connection therewith including, without limitation, the following described permit to appropriate the public waters of the State of Nevada.

Certificate of Appropriation of Water

Appn. #18928 - Certificate #6084

RIGHT OF WAY: The buyer is granted use of a 30' wide right of way, one-half mile in length, running south of said property to Seventh Street, directly adjacent to the west boundary fence of Section 26 SW 1/4.

PERSONAL PROPERTY:

See Exhibit "A" attached hereto and incorporated herein by reference.

The Second Party agrees to pay the sum of NINETY-SIX

THOUSAND DOLLARS, (\$96,000.00), in full of the purchase price for the above described real and personal property in the manner

following:

1. \$14,000.00 as of the date of execution hereof, the receipt of which is hereby acknowledged by the Sellers.
2. \$2,000.00 payable September 1, 1993.
3. The balance of the purchase price being the sum of

EIGHTY THOUSAND DOLLARS, (\$80,000.00), is to be paid as follows:

\$10,000.00 plus accrued interest on March 1, 1994, and \$10,000.00 plus accrued interest on or before March 1, of every year thereafter until the total principal and interest have been paid in full.

Interest shall accrue on the unpaid balance of the principal at the rate of 6% per annum from date of execution hereof.

The buyer may make additional and further payments on the purchase price at any time. Said additional payments shall be applied first to interest accrued to date of payment, and the balance of said payment shall be applied against the principal balance then due. Said additional payments shall not be cumulative payments, but the Buyer, shall in all events pay the installments of principal and interest as above set forth.

4. All payments under this contract shall be paid to the

Sellers, John R. Hovious, and Judith Hovious.

EXECUTION AND DELIVERY OF INSTRUMENTS:

On or before May 3, 1983, the Sellers shall execute

1. Their good and sufficient Grant, Bargain, and Sale Deed to the above described real property, naming the Second Party as Grantee therein. Said Deed is to be held by the Sellers until such time as the entire principal balance has been paid in full, at which time the Seller shall cause the Deed to be recorded at the cost of the Second Party. In the event the Second Party shall default as hereinafter provided, the said Grant, Bargain, and Sale Deed is to remain with the First Parties.

2. Bill of Sale to the above described personal property naming the Second Party as Grantee therein. Said Bill of Sale is to be held by the Seller until such time as the entire principal balance has been paid in full, at which time the Seller shall deliver the Bill of Sale to the said Second Party. In the event the Buyer shall default as hereinafter provided the said Bill of Sale is to remain with the First Parties.

TITLE

The Second Party agrees to accept title to the said real and personal property as the same now exist, the First Parties

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warranting that they have not caused any liens or encumbrances to be filed against the property.

TITLE INSURANCE

The Sellers and Buyer agree to purchase title insurance for the hereinwith described property at equal expense.

PRORATIONS:

Taxes contained on the tax statement for the real and personal property being sold hereunder will be prorated as of date of initial payment.

USE OF THE PREMISES BY THE SECOND PARTY:

The Second Party agrees that he will do work and satisfy such requirements as may be necessary to preserve the water rights attached to the said premises. The Second Party agrees that he will not commit or suffer to be done any waste or damages. The Second Party agrees that he will not allow any mechanic's, materialmen, or other liens to be filed or exist against the above described property unless the Second Party can show to the first Parties that he has a valid defense against any lien filed, and has taken the proper steps to defend the same.

In the event that the Second Party should be found to owe the amount of any contested lien, he agrees to pay the same immediately.

USE AND MAINTENANCE OF PERSONAL PROPERTY BY SECOND PARTY:

The Second Party agrees to maintain the personal property, the subject of this sale, in a good state of repair throughout the term of this Contract, to the end that said personal property shall be maintained in the same condition as it now exists, subject only to reasonable wear and tear. The Second Party shall be allowed to substitute items of personal property

for any of the items of personal property being sold herein, if the said replacements are of equal value as the original item of personal property and are unencumbered, in which event said replacements shall be subject to the terms of this contract as though originally included herein.

DEFAULT PROVISIONS:

Should the First Parties have performed all covenants on their part to be performed, and should the Second Party fail to perform all of the covenants on his part to be performed and should such default or defaults on the part of the Second Party not be corrected within THIRTY (30) DAYS from date of default after notice having been given by First Parties to the Second Party of such default for a period of THIRTY (30) DAYS from date of mailing a copy of the Notice of Default by registered mail, postage prepaid, to the Second Party, the First Parties may, at their option declare the balance then remaining unpaid on said purchase price together with interest due thereon, forthwith due and payable and force the collection of same by suit or otherwise, or may at their option declare this agreement terminated and thereupon the First Parties shall be released from all obligations at law or in equity to convey said property to said Second Party, and the Second Party shall forfeit all right, title and interest thereto and therein and shall immediately deliver up to said First Parties their peaceful possession of said premises and all sums of money that may have been paid by the Second Party to the First Parties under the terms of this agreement shall be kept and retained by First Parties as rental for said premises and as liquidated damages for the breach of this Contract.

It is understood that the foregoing remedies are not exclusive remedies and that the First Parties shall have such other and further remedies as may be available to them in law or in equity.

It is understood and agreed that the failure of the First Parties to exercise any option which may accrue to them under the terms of this Contract, either to declare all sums immediately due and payable and to compel the payment of the same by suit or otherwise or to terminate this Contract shall not prevent the First Parties from exercising any such option or declaring said default upon any subsequent failure or default upon the part of the Second Party.

On or before May 3, 1993, the Second Party agrees to execute and deliver to the Sellers a quitclaim deed to the above described real property naming the First Parties as grantees therein. Upon payment of the entire principal, in full, the Sellers shall return said quitclaim deed to the Second Party.

LIMITATION ON RIGHT TO ASSIGN OR SUBLET THE PREMISES AND PERSONAL

PROPERTY:

Until such time as the Sellers have been paid in full, the Buyer shall not be permitted to assign this Contract or sublet the premises or personal property, or dispose of the real and personal property, the subject of this sale, in any manner whatsoever until Sellers have been paid in full.

Subject to the limitation on the right of the Second Party to assign this Contract, this Contract shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the respective parties hereto.

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

John R. Hovious
JOHN R. HOVIOUS

Judith Hovious
JUDITH HOVIOUS

Gary R. Bettschart
GARY R. BETSCHART

Second Party

First Parties

JOAN SHANGLE
Notary Public - State of Nevada
Appointment Recorded in Eureka County
MY APPOINTMENT EXPIRES DEC. 20, 1993



Joan Shangle
NOTARY PUBLIC

who executed the foregoing instrument.

appeared before me, a Notary Public, GARY R. BETSCHART,

On this *3rd* day of *Sept*, 1993, personally

STATE OF NEVADA)
) SS.)
COUNTY OF EUREKA)

JOAN SHANGLE
Notary Public - State of Nevada
Appointment Recorded in Eureka County
MY APPOINTMENT EXPIRES DEC. 20, 1993



Joan Shangle
NOTARY PUBLIC

JUDITH HOVIOUS, his wife, who executed the foregoing instrument.

appeared before me, a Notary Public, JOHN R. HOVIOUS and

On this *3rd* day of *Sept*, 1993, personally

STATE OF NEVADA)
) SS.)
COUNTY OF EUREKA)

EXHIBIT A

75 HORSEPOWER MOTOR, PUMP, AND PANEL

1983 8-TOWER VALLEY PIVOT

FENCING ON FOUR SIDES OF ABOVE DESCRIBED PARCEL OF REAL PROPERTY

FENCED STACK YARD

Buyers Address:

John and Judith Hovious
c/o A.G. Farm Commodities, Inc
Attn: Gary Betschart
Box 28
Eureka, Nv 89316

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OFFICIAL RECORDS

RECORDED AT THE REQUEST OF

Judith Hovious

93 MAY -3 P4:25

EUREKA COUNTY, NEVADA

M.N. REBALATI, RECORDER

FILE NO.

FEES \$ 13.00

145315

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DECLARATION OF VALUE
 JUNEAU COUNTY, ALASKA

Recording Date 5/3/93 Book 297 Page 145 Instrument# 145315

Full Value of Property Interest Conveyed \$ 96,000.00
 Less Assumed Liens & Encumbrances _____
 Taxable Value (NRS 375.010, Section 2) \$ 96,000.00
 Real Property Transfer Tax Due \$ 129.80

If exempt, state reason, NRS 375.090, Section _____, Explain: _____

INDIVIDUAL
 Under penalty of perjury, I hereby declare that the above statements are correct and declare that the above statements are correct. are correct.
 Signature of Declarant *Judith Horvath*
 Name (Please Print) Judith Horvath
 Address Box 476
 Fairbanks, NV 89316
 City State Zip

ESCORP HOLDER
 Under penalty of perjury, I hereby declare that the above statements are correct and that the best of my knowledge based upon the information available to me in the documents contained in the escrow file.
 Signature of Declarant _____
 Name (Please Print) _____
 Section Number _____
 Firm Name _____
 Address _____
 City State Zip _____

Tax paid for the above transfer on May 3, 1993, per NRS 375.050, Section 3.

Signature of Recorder or Representative *Michael Miller*