

AGREEMENT GRANTING FIRST RIGHT OF REFUSAL

THIS AGREEMENT GRANTING FIRST RIGHT OF REFUSAL is made and entered into effective as of this 22 day of May, 1996, by and between WALLACE HALE BAILEY and DONNA RAY BAILEY, husband and wife, hereinafter referred to as "Sellers"; and JAMES HALE BAILEY and D. BORTFELD BAILEY, husband and wife, hereinafter referred to as "Buyers".

WHEREAS, Sellers, by separate agreement, are selling to Buyers that certain property (hereinafter referred to as "Property") situate in Eureka County, State of Nevada, more particularly described as follows:

TOWNSHIP 30 NORTH, RANGE 52 EAST, MDB&M

Section 21: E $\frac{1}{2}$; E $\frac{1}{4}$ SW $\frac{1}{4}$

EXCEPTING THEREFROM all petroleum, oil, natural gas, and products derived therefrom, within or underlying said land or that may be produced therefrom, as reserved by SOUTHERN PACIFIC LAND COMPANY, in Deed recorded March 9, 1950, in Book 24, Page 42, Deed Records, Eureka County, Nevada.

FURTHER EXCEPTING THEREFROM an undivided one-half interest in and to any and all other mineral rights in said lands as reserved by OSCAR RUDNICK, SAM RUDNICK AND FILBERT ETCHEVERRY, a Co-Partnership, doing business under the firm name and style of EUREKA LIVESTOCK COMPANY, et al, in Deed recorded May 1, 1957, in Book 25, Page 134, Deed Records, Eureka County, Nevada.

WHEREAS, Sellers' desire to have the first right of refusal to reacquire the subject property in the event Buyers should desire to sell, convey or transfer said property at any time after the close of sale.

WHEREAS, Buyers are willing to grant to Sellers the first right of refusal to reacquire the property in the event that Buyers should desire to sell, convey or transfer the property after the close of sale.

NOW, THEREFORE, for good and valuable consideration, the parties hereto agree as follows:

1. In the event Buyers desire to sell, transfer or convey the Property at any time after the close of sale from Sellers to Buyers, Sellers shall be given the first right of refusal to reacquire the Property at such price and upon such terms and conditions as Buyers shall, in their

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James Hale Bailey
 JAMES HALE BAILEY

D. Borfield Bailey
 D. BORFIELD BAILEY

BUYERS:

Wallace Hale Bailey
 WALLACE HALE BAILEY

Donna Ray Bailey
 DONNA RAY BAILEY

SELLERS:

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the date and year first above written.

This Agreement shall survive the close of the sale of the Property from Sellers to Buyers and the recording and delivery of all documents in connection therewith, and shall be binding upon and inure to the benefit of the respective heirs, representatives, administrators, executors, successors and assigns of the parties hereto.

The failure of Sellers to accept the offer to acquire or execute a mutually agreeable contract within the period provided shall terminate the first right of refusal to Sellers, and Buyers shall be at liberty to sell, convey or transfer the property to a third party. In the event, however, that such sale to a third party does not close, whether on one or more occasions, Sellers shall then continue to have the same first right of refusal as provided herein with respect to each subsequent potential transaction between Buyers and any third party.

3.

This right of first refusal shall be given by a notice sent by Buyers to Sellers requiring Sellers to accept the offer in writing and to execute a mutually agreeable contract to acquire the Property within a period of thirty (30) days after the mailing of the notice by Buyers.

2.

sole discretion, determine and propose; or in the event Buyers shall receive a bona fide offer to purchase the Property at any time after the close of the subject sale, and the offer of purchase shall be satisfactory to Buyers, Buyers shall give Sellers the first right of refusal to purchase said Property at the price and on the terms of the offer so made.

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BOOK 297 PAGE 115
OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
96 MAY 24 AM 11:00
EUREKA COUNTY NEVADA
M.N. REBALANTI, RECORDER
FILE NO. FEES \$9.00

LAURA PRIAUX
Notary Public
State of Nevada
Eiko County, Nevada
95-0679-6
My appointment expires October 4, 1999.

Laura Priaux
NOTARY PUBLIC

On May 22, 1996, personally appeared before me, a Notary Public, JAMES HALE BAILEY and D. BORTFIELD BAILEY, personally known to me to be the persons whose names are subscribed to the above instrument who acknowledged that they executed said instrument.

STATE OF NEVADA)
) SS.
COUNTY OF)

GLADY GOICOECHEA
Notary Public - State of Nevada
Appointment Recorded in Eureka County
MY APPOINTMENT EXPIRES OCT. 28, 1998

Gladys Goicoechea
NOTARY PUBLIC

On May 20, 1996, personally appeared before me, a Notary Public, WALLACE HALE BAILEY and DONNA RAY BAILEY, personally known to me to be the persons whose names are subscribed to the above instrument who acknowledged that they executed said instrument.

STATE OF NEVADA)
) SS.
COUNTY OF Eureka)