

LEASE WITH OPTION TO PURCHASE

THIS LEASE WITH OPTION TO PURCHASE made and entered into this
5 day of November, 1999, by and between WAYNE D. ROBINSON
 and MARY BETH ROBINSON, husband and wife, as joint tenants, of the
 County of Eureka, State of Nevada, hereinafter referred to as
 "ROBINSON" and DANIEL L. PORTER and MARGIE L. PORTER, husband and
 wife, as joint tenants with rights of survivorship, of the County
 of Eureka, State of Nevada, hereinafter referred to as "PORTER".

The parties hereto agree as follows:

I.

LEASE OF REAL PROPERTY

ROBINSON, for and in consideration of the rents, covenants
 and agreements hereinafter provided to be paid, kept and performed
 by PORTER, has demised and leased to PORTER all those certain
 premises situated in the County of Eureka, State of Nevada, more
 particularly bounded and described as follows:

The N $\frac{1}{2}$ of Lot 3 of Block 21 of the
 townsite of Eureka, Nevada.

Assessor's Parcel #: ptn. 001-071-13

TOGETHER WITH all and singular the privileges, appurtenances,
 tenements, hereditaments, easement and rights of way thereunto
 belonging or usually enjoyed with said premises, or any part
 thereof and the reversion and reversions, remainder and
 remainders, rents, issues and profits thereof.

The parties understand and agree that the demised premises
 are adjacent to other property owned by ROBINSON and which are not

1 a part of the premises leased herein. Specifically, the South 1/2
2 of Lot 3 is a vacant bar operation. In consideration of the
3 mutual promises of the parties made one to the other, ROBINSON
4 hereby grants to PORTER the right, at any time within the initial
5 six (6) month period of this Lease to rent the bar operation on
6 the South 1/2 of Lot 3 at the monthly rental amount of \$650.00.
7 If PORTER does not wish to or fails to rent the bar operation
8 within the first 6-month period of this Lease, ROBINSON agrees to
9 offer to PORTER the right of first refusal to rent the bar
10 operation at the same monthly rental amount offered to ROBINSON by
11 any bona fide renter. In this regard, ROBINSON shall notify
12 PORTER in writing upon his receipt of a bona fide offer to rent
13 which includes the monthly rental amount offered and PORTER shall
14 have twenty (20) days within which to meet or reject the offer by
15 providing such notice to ROBINSON in writing.

16 II.

17 TERM

18 The effective date of this lease shall be the 1st day of
19 November, 1999 and the term of this lease shall be for one
20 (1) year, commencing on the 1st day of November, 1999 and
21 terminating on the 31st day of October, 2000 at 5:00 o'clock
22 p.m.

23 At ROBINSON's option, ROBINSON may grant to PORTER the right
24 to extend the leasehold period for an additional one (1) year
25 period on the exact terms and conditions contained herein,
26 reserving unto ROBINSON the right to increase the monthly lease

1 payment as hereinafter set forth. PORTER shall exercise the right
2 to extend by giving written notice to ROBINSON, at least two (2)
3 months prior to the expiration of the original term of this Lease
4 or any extension thereof, as the case may be. Thirty (30) days
5 after the notice to extend is given, ROBINSON shall provide the
6 new monthly Lease amount, if necessary, which amount shall not
7 exceed fifteen percent (15%) of the previous years' rental amount.

8 Any extension of the Leasehold term which includes an increase in
9 the monthly rental amount shall be memorialized by a written
10 Memorandum of Extension of Lease Agreement, otherwise the Lease
11 may be extended without further instrument, lease or agreement.

12 It is further acknowledged and agreed that PORTER is
13 currently making application for all appropriate licenses and
14 certificates necessary for the operation of a restaurant upon the
15 leased premises. Should PORTER be unable to obtain the necessary
16 licenses and certificates, this Lease agreement shall be
17 rescinded.

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19 III.

20 RENT

21 As and for a rental amount, PORTER agrees to enter upon and
22 occupy the premises not later than the 1st day of November
23 1999 and to pay, in advance, on or before the 1st day of November
24 November, 1999, the monthly payment of SIX HUNDRED FIFTY DOLLARS
25 (\$650.00). PORTER also agrees to pay to ROBINSON a security
26 deposit for the remedy of any default in the payment of rent,
27 repairing damages to the premises other than normal wear caused by

1 PORTER and cleaning the premises at the end of the leasehold term.

2 The parties shall conduct a walk-through inspection of the
3 property upon the termination of the Lease and any exceptions to
4 the condition of the property shall be noted and agreed upon by
5 the parties at that time. The balance of any security funds not
6 utilized for cleaning and repair of the property shall be refunded
7 to PORTER. The security deposit shall be in the total sum of SIX
8 HUNDRED FIFTY DOLLARS (\$650.00) and shall be paid in three (3)
9 installments as follows: TWO HUNDRED DOLLARS (\$200.00) on the
10 26th day of November, 1999; TWO HUNDRED DOLLARS (\$200.00) on the
11 26th day of December, 199 and TWO HUNDRED FIFTY DOLLARS (\$250.00)
12 on the 26th day of January, 2000. Any default in the payment of
13 any installment of the security deposit shall be considered a
14 default in the payment of rent and shall be remedied as
15 hereinafter set forth. In the event that PORTER exercises the
16 option as hereinafter set forth, ROBINSON agrees to apply the
17 security deposit towards the purchase price of the property as
18 hereinafter set forth.

19 The total monthly lease payment of SIX HUNDRED FIFTY DOLLARS
20 (\$650.00) shall be due on the 1st day of each and every month
21 thereafter during the term of this lease. Payments will be mailed
22 to ROBINSON at Post Office Box 287, Eureka, Nevada 89316. Any
23 notices required to be mailed to PORTER hereunder shall be mailed
24 to Post Office Box 208, Eureka, Nevada 89316.

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2 IV.

3 QUIET ENJOYMENT

4 ROBINSON covenants that on paying the rent and performing the
5 covenants herein contained, PORTER shall peacefully and quietly
6 have, hold and enjoy the demised premises for the agreed term.

7 V.

8 USE AND MAINTENANCE OF PREMISES

9 The premises herein demised are to be used exclusively as a
10 restaurant/gift shop operation.

11 PORTER covenants to maintain the property in as good a
12 condition as it now is. Exceptions to the condition of the
13 property, if any, are listed and initialed by the parties and
14 attached hereto as an exhibit and by this reference incorporated
15 herein. PORTER agrees to repair and maintain the premises at his
16 own expense so long as said repairs and maintenance are of a minor
17 nature, minor repairs and maintenance being defined as any cost
18 that is \$1,500.00 or less for any one single repair or maintenance
19 item. PORTER agrees to keep in good state of repair all
20 buildings, furnishings, fixtures, and equipment which PORTER
21 brings, constructs, or places upon the demised premises or which
22 are currently in place. PORTER shall not suffer or permit any
23 waste or neglect of any building or other property to be
24 committed. PORTER shall repair, replace, and renovate the property
25 as often as necessary to keep the buildings and other property
26 subject to this lease in the condition the premises are in at the
27 effect date of the Lease.
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1 PORTER will maintain all equipment that they are allowed to
2 use per this Agreement in the same condition as it was in when
3 PORTER took possession, normal wear and tear excepted. A list of
4 the equipment currently on the premises to which PORTER shall have
5 access is listed in Exhibit "A" attached hereto and by this
6 reference incorporated herein. ROBINSON agrees to warranty the
7 equipment on Exhibit "A" for thirty (30) days from the 26th day
8 of October, 1999 and to pay all costs of repair or replacement
9 for said equipment, provided however that the damage to said
10 equipment was not caused by any action or neglect of PORTER or his
11 employees.

12 ROBINSON shall be responsible for any major repairs to the
13 premises, major repairs being defined as any cost that is more
14 than the sum of \$1,500.00 for any one single repair or maintenance
15 item.

16 ROBINSON shall not be under any obligation to make
17 improvements to the premises herein demised, however, should
18 PORTER establish that permanent or structural improvements are
19 necessary in order to maintain the restaurant/gift shop operation
20 on the premises and the cost of such improvements are prohibitive
21 to PORTER, then PORTER may, at his option, terminate this Lease
22 without further liability to ROBINSON.

23 For the purposes of this section "prohibitive expense" would
24 be an expense in excess of \$1,500.00, or which would force PORTER
25 to discontinue business for more than fifteen (15) days.

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2 VI.

3 CONDITION OF PREMISES

4 PORTER acknowledges that they have examined the demised
5 premises, including the grounds and all buildings and improvements
6 and that the same are being leased "as is" and without warranty as
7 to fitness for use or purpose except as is expressly set forth
8 herein..

9 VII.

10 ASSIGNMENT AND SUBLETTING

11 PORTER may not assign or transfer this Lease in any way. Any
12 assignment or transfer of this Lease shall be considered a default
13 under the terms hereof.

14 VIII.

15 ALTERATIONS AND IMPROVEMENTS

16 Any improvements or alterations contemplated by PORTER shall
17 first be approved of by ROBINSON in writing. Should PORTER choose
18 to not exercise the option to purchase hereinafter granted, PORTER
19 shall be compensated by ROBINSON for a portion of the expense
20 incurred in performing any alteration or improvement, which
21 agreement shall be in writing between the parties prior to the
22 commence of the alterations or improvement undertaken. All
23 alterations, changes, and improvements built, constructed, or
24 placed on the demised premises by PORTER with the exception or
25 fixtures removable without damage to the premises and movable
26 personal property, shall, unless otherwise provided by written
27 agreement between ROBINSON and PORTER be the property of ROBINSON

1 and shall remain on the demised premises at the expiration or
2 sooner termination of this lease.

3 IX.

4 INDEMNIFICATION/LIABILITY INSURANCE

5 After the commencement date, PORTER shall protect, defend,
6 indemnify and hold harmless ROBINSON against and from any and all
7 liabilities, fines, suits, claims, demands and actions, and costs
8 and reasonable expenses of any kind or nature or by anyone
9 whomsoever, arising out of: (a) any default, violation of
10 nonperformance of any term, covenant, or condition, of this lease
11 on the part of PORTER to be observed and performed, (b) any
12 damage to person or property occasioned by PORTER's occupancy of
13 the demised premises or to any use or occupancy which may permit
14 or suffer to be made of the demised premises, or (c) any injury to
15 person or persons, including death resulting at any time
16 therefrom, occurring in or about the demised premises as a result
17 of PORTER's negligence. PORTER shall be liable for injuries or
18 death suffered by any of his guest, invitees, or licensees or
19 trespassers on the premises to see PORTER.

20 During the term of this Lease, PORTER, at their sole expense
21 and for the mutual benefit of PORTER and ROBINSON, shall carry and
22 maintain comprehensive liability insurance, including property
23 damage, and protect PORTER and ROBINSON against liability for
24 injury to persons or property occurring in or about the demised
25 premises or arising out of his ownership, maintenance, use of
26 occupancy. The insurance shall have a limit of not less than

1 \$1,000,000.00 for any one accident or occurrence of personal
2 injury and a limit of not less than \$50,000.00 for any one
3 accident or occurrence of property damage.
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5 X.

6 CASUALTY INSURANCE

7 ROBINSON shall insure the buildings and related structures of
8 which the demised premises form a part against damage and
9 destruction by fire, including extended coverage, and other
10 perils, to the full replacement costs of the buildings and shall
11 maintain such insurance during the terms of this lease. PORTER
12 shall not be liable to ROBINSON for any loss due to fire or any
13 other casualty not caused by PORTER or PORTER's agents.

14 XI.

15 TAXES AND UTILITIES

16 PORTER shall be responsible for paying all utility services
17 required on the premises.

18 ROBINSON shall pay all taxes and assessments of whatever kind
19 or nature as may be levied, assessed, charged or imposed on the
20 real property the subject of this Lease, specifically excepting
21 personal property tax or other taxes or assessments associated
22 with PORTER's business, which shall be the responsibility of
23 PORTER.

24 XII.

25 DEFAULT

26 If PORTER defaults in the payment of rent or additional rent
27 or in the performance of any term, covenant, or condition of this
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1 lease, ROBINSON may give PORTER written notice of default at the
2 address listed herein. If PORTER does not cure any rent default
3 within fifteen (15) days, or other default within thirty (30) days
4 (or if the default is of such a nature that it can not be
5 completely cured within thirty (30) days and thereafter proceed
6 with reasonable diligence and in good faith to avoid the default),
7 this lease then shall terminate on the dates specified in the
8 notice, and PORTER shall quit and surrender the demised premises
9 to ROBINSON and all reasonable expenses, including legal fees,
10 incurred by ROBINSON due to PORTER's breach shall be payable on
11 demand.

12 If at any time during the first leasehold term of this Lease,
13 PORTER wishes to terminate this Lease, PORTER shall provide to
14 ROBINSON, thirty (30) days' prior written notice of their intent
15 to terminate. The Lease may not be terminated by PORTER during
16 any subsequent renewal of the leasehold term, except as provided
17 herein.

18 XIII.

19 OPTION TO PURCHASE

20 For and in consideration of the mutual promises made by the
21 parties, one to the other, and in consideration of PORTER's
22 faithful performance of the terms and obligations set forth in
23 this Agreement, ROBINSON hereby grants to PORTER the option to
24 purchase the herein demised premises together with the South 1/2
25 of Lot 3 and all of Lot 2 of Block 21, of the townsite of Eureka,
26 Nevada, and the equipment situated thereon, at any time on or

1 before the expiration of the leasehold term or its extension.
2 During the first term of this Lease the total purchase price for
3 the optioned premises shall be TWO HUNDRED THIRTY FIVE THOUSAND
4 DOLLARS (\$235,000.00). ROBINSON further grants to PORTER the
5 option to purchase Lot 3 alone for a purchase price of TWO HUNDRED
6 TEN THOUSAND DOLLARS (\$210,000.00). PORTER shall exercise the
7 option to purchase by providing written notification of their
8 intent to so exercise on or before the expiration of the leasehold
9 term or any extension thereof.

10 Not sooner than thirty (30) days nor later than then forty-
11 five (45) days from the date of notification of their intent to
12 exercise the option to purchase, the parties shall open an escrow
13 with FRONTIER TITLE COMPANY of Ely or of Elko, Nevada with
14 instructions to effect the sale on terms and conditions not
15 inconsistent with the following:

16 1. For the purposes of sale, the purchase price shall be
17 allocated as follows:

18 Lot 3: \$ 200,000⁰⁰
19 Lot 2: \$ 25,000⁰⁰
20 Equipment: \$ 10,000⁰⁰
21 Goodwill: \$ Ø

THW
DLP
MP

22 2. If the option is exercised within the first term of this
23 Lease, ROBINSON shall apply a sum equal to twenty percent (20%) of
24 the total monthly lease payments made to the date of close of
25 escrow, together with the security deposit paid by PORTER, to
26 purchase price set forth above.

1 3. PORTER shall pay to escrow a down payment of TWENTY FIVE
2 THOUSAND DOLLARS (\$25,000.00).
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4 4. The balance of the purchase price, depending on the
5 parcels purchased, and less the amounts set forth in paragraph 1.
6 above if applicable, shall be paid in cash or, if PORTER so
7 elects, ROBINSON agrees that the balance may be evidenced by a
8 promissory note and deed of trust upon the property to be executed
9 by PORTER in favor of ROBINSON. Said note shall provide for an
10 interest rate equal to two percent (2%) over the prime interest
11 rate as determined by the Nevada Director of Financial
12 Institutions at the opening of escrow and shall have a term of not
13 less than ten (10) years.

14 5. The parties agree to equally bear the document
15 preparation costs for this Lease.

16 6. The parties further agree to equally bear the costs of
17 escrow, real property transfer tax, title insurance and other
18 costs relating to the sale of the property and that any real
19 property taxes due and owing on the property at the time of sale
20 shall be pro-rated as is customary in the County of Eureka, State
21 of Nevada.

22 The parties agree that this document may be used for escrow
23 instructions.

24 If the option to purchase is exercised at any time after the
25 first term of this Lease, the parties understand and agree that
26 ROBINSON retains the right to adjust the purchase price. Should
27 there be any change in the purchase price, ROBINSON shall, upon
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1 the extension of this Lease, memorialize in writing any change in
2 the purchase price. Notwithstanding any change in purchase price,
3 all other terms of purchase as provided herein shall remain the
4 same with adjustments made to the total purchase price and total
5 amount to be financed by ROBINSON dependent upon the adjusted
6 purchased price. Also, the parties understand and agree that
7 ROBINSON shall apply no more than 20% of the first years' rental
8 payments and the initial security deposit of \$650.00 as an offset
9 to the purchase price.

10
11 XIV.

12 EXISTING ENCUMBRANCE

13 ROBINSON acknowledges that there are currently liens on the
14 above-described property which liens ROBINSON agrees to clear from
15 title prior to the close of escrow should PORTER exercise their
16 option to purchase.

17 ROBINSON covenants that they will pay any underlying liens in
18 a timely manner and that upon PORTER's exercise of the option and
19 upon the close of escrow ROBINSON shall deliver to PORTER title to
20 the property free and clear of any and all liens and encumbrances.

21 XV.

22 RIGHT OF FIRST REFUSAL

23 In the event that PORTER does not exercise their option to
24 purchase within the first years' term of this Lease, the parties
25 understand and agree that ROBINSON shall be entitled, during any
26 extension of the term of this Lease, to list the leased property
27 for sale. If ROBINSON receives a valid offer for sale, ROBINSON

1 agrees to offer to PORTER the right of first refusal to purchase
2 the property on like terms and conditions as those of the offer.
3 ROBINSON agrees that within five (5) days of their receipt the
4 valid offer to purchase, they shall mail to PORTER, by certified
5 mail at the address listed herein, a copy of the offer to
6 purchase. PORTER shall have five (5) days from the date of the
7 mailing of the offer to purchase within which to exercise their
8 right of first refusal. If the right of first refusal is not
9 exercised, ROBINSON shall proceed to sale of the property without
10 further notice to PORTER.

11 XVI.

12 ROBINSON'S CURE OF PORTER DEFAULT

13 If PORTER breaches any term, covenant, or condition of this
14 Lease, ROBINSON may, by giving reasonable notice to PORTER (except
15 that no notice need be given in case of any emergency), cure the
16 breach of PORTER's expense. All reasonable expense, including
17 legal fees, incurred by ROBINSON in curing PORTER breach shall be
18 additional rent payable on demand.

19 XVII.

20 NON-WAIVER

21 The failure of either party to insist on strict performance
22 of any term, covenant, or condition hereof, or to exercise any
23 option herein contained shall not be construed as a waiver of such
24 term, covenant, condition, or option at any other instance.

25 XVIII

26 WRITTEN MODIFICATION

1 This Lease can not be changed or terminated orally, but only
2 by an instrument signed by both parties.

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4 XIX.

5 WARRANTY AND REPRESENTATION

6 Neither party has made any representations or promises,
7 except as contained in this Lease.

8 XX.

9 CONSTRUCTION

10 Headings in this Lease are for convenience and reference only
11 and are not to be used to interpret or construe its provisions.

12 XXI.

13 GOVERNING LAW

14 This Lease shall be construed in accordance with an governed
15 by the laws of the State of Nevada.

16 XXII

17 BINDING EFFECT

18 The provisions of this lease shall be binding upon and insure
19 the benefit of ROBINSON and PORTER and the respective successors,
20 legal representative, and assigns, however, the language contained
21 herein is not intended to enlarge upon PORTER's right to assign.
22 The term "ROBINSON" as used in this lease shall mean only the
23 owner of the premises or the grounds of which the demised premises
24 forms part.

25 IN WITNESS WHEREOF the parties hereto have set their hands

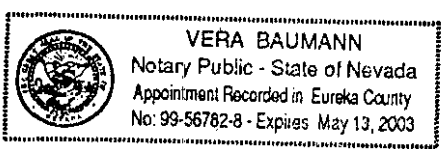
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foregoing instrument; who acknowledged to me that they executed the same freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above-written.



Vera Baumann
Notary Public

EXHIBIT A

Equipment List for Restaurant Operation

Walk-in freezer, Jordan 8x8
Ice maker, Manitowoc
Steam table, 4 compartments
Deep fryer, gas, Star
Deep fryer, electric, Wells
Charbroiler
Double oven four burner range, Montague
Three-door cooler, undercounter Traulsen
Hood with ancillary system and fan
Two-door refrigerator, Traulsen
Television, portable
Meat slicer, Globe
Tables, large round 2
Tables, cocktail 10
Tables, rectangular or square 7
Chairs, captain type 25
Chairs, straight back 10
Salad bar with inserts
Bread warmer, Toastmaster
Stainless table/shelf units, 2
Stainless shelf 1
Shelf units, 4
Assorted pots, pans, and dishes

EXHIBIT 'B'

Equipment List for Bar Operation

Margarita machine, Taylormate
Traulsen 3-door beer cooler
4-door back bar cooler
2 product draft cooler
Bar stools, 15
Chair, straight back, 6
Assorted glassware

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OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
Wayne D. Robinson
99 NOV -4 PM 3:42

EUREKA COUNTY NEVADA
M.H. REBALEATI, RECORDER
FILE NO. FEES 25.00

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