

175193

CONTRACT OF PURCHASE AND SALE

THIS CONTRACT OF PURCHASE AND SALE, made and entered into this 3rd day of Feb., 2000, by and between JOHN R. HOVIOUS, and JUDITH A. HOVIO, 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.

WITNESSETH:

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 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: SW 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.

TOGETHER with all permits to appropriate the waters of 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. #18927 - Certificate #6085

PERSONAL PROPERTY:

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

The Second party agrees to pay the sum of NINETY THOUSAND DOLLARS, (90,000), in full of the purchase price for the above described real and personal property in the manner following:

1. \$1000.00 as of the date of execution hereof, the receipt of which is hereby acknowledged by the Sellers.

2. The balance of the purchase price being the sum of EIGHTY THOUSAND DOLLARS, (\$80,000.00), is to be paid as follows:

\$8,000.00 plus accrued interest on October 1, 2001, and \$1,000.00 plus accrued interest on or before October 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 7.5% per annum from date of execution hereof.

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 payments shall not be cumulative payments, but the Buyer, shall in all events pay the installments of principal and interest as above set forth.

3. 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 October 5, 2000, the Sellers shall execute

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

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 PREMIS 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.

The second party agrees to maintain liability insurance on the above described property and will be solely responsible for any lawsuits resulting from injury or death on the property due to neglect of safety precautions or from any danger associated with the farming or maintenance of the land, or due to any reason whatsoever.

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. 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 PROVISION

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 the date of default after notice has 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 decree the balance then remaining unpaid on said purchase price together with interest due thereon, forthwith due and payable and decree 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 thereon 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 or 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 October 5, 2000, 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 beenaid in full.

Subject to t limitation on the right of the Second Party to assign this Conact, this Contract shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors, and aigns of the respective parties hereto. In the event of the deat of the first parties, no demand for PAYMENT IN FULL may be execed by the heirs of the first parties or by any state entity, buthe contract will continue as set above, with lienency during rtain years, not to exceed four (4) years, when due to farming diculties, payment need not be made in full but must be made in rt with the accrued interest always being paid according to the rms of this contract.

IN WITNESS WREOF, the parties have hereunto set their hands as of the day andear first hereinabove written.

John R. Hovious
JOHN R. HOVIOUS

Judith Hovious
JUDITH HOVIOUS

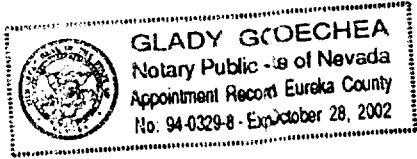
First Parties

Gary R. Betschart
GARY R. BETSCHART

Second Party

STATE OF NEVADA
SS.
COUNTY OF EUREKA

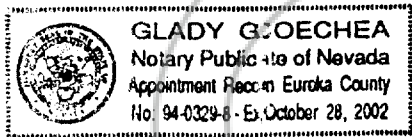
On this 3rd day of October, 2000, personally
appeared before me a Notary Public, JOHN R. HOVIOUS and JUDITH
HOVIOUS, his wife who executed the foregoing instrument.



Gladys Goechea
NOTARY PUBLIC

STATE OF NEVADA
SS.
COUNTY OF EUREKA

On this 3rd day of October, 2000, personally
appeared before me a Notary Public, GARY R. BETSCHART, who
executed the foregoing instrument.



Gladys Goechea
NOTARY PUBLIC

EXHIBIT A

MOBILE HOME WITH ELT-ON ADDITION W/ HOUSE WELL AND 1,000 GAL SEPTIC TANK

18' METAL GRANARY

4 OUTBUILDINGS - VARIOUS SIZES

30' X 60' WOOD FME SHOP W/ MASONITE SIDING, METAL ROOF, AND CEMENT FLOOR

50 HORSE MOTOR PUMP AND PANEL

IRRIGATION WELL

CORRALS WITH LOADS SHOOT AND SQUEEZE PANEL

FENCING ON FOUR SIDES OF ABOVE DESCRIBED PARCEL OF REAL PROPERTY ROADS

Buyers Address:

John and Judith Hious
c/o A.G. Farm Commodities, Inc
Attn: Gary Betsch
Box 28
Eureka, NV 896

BOOK 337 PAGE 077
OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
John Hious
00 OCT -3 PM 12:26

EUREKA COUNTY NEVADA
M.N. REBALEATI, RECORDER
FILE NO. **175193** FEES *16⁰⁰*

BOOK 337 PAGE 086

State of Nevada Declaration of Value

1. Assessor Parcel Number(s)
 a) 7-210-34
 b) _____
 c) _____
 d) _____

2. Type of Property:
 a) Vacant Land b) Single Fam. Res.
 c) Condo/Twnhse d) 2-4 Plex
 e) Apt. Bldg. f) Comm'l/Ind'l
 g) Agricultural h) Mobile Home
 i) Other _____

FOR RECORDERS OPTIONAL USE ONLY

Document/Instrument #: _____
 Book: _____ Page: _____
 Date of Recording: _____
 Notes: _____

3. Total Value/Sales Price of Propy: \$ 90,000
 Deduct Assumed Liens and/or encumbrances: (_____)

(Provide recording information: Doc/Instrument #: _____ Book: _____ Page: _____)

Transfer Tax Value per NRS 3710, Section 2: \$ _____
 Real Property Transfer Tax Due: \$ 117⁰⁰

4. If Exemption Claimed:
 a. Transfer Tax Exemption, per NRS 375.090, Section: _____
 b. Explain Reason for Exemption: _____

 5. Partial Interest: Percentage being transferred: _____ %

The undersigned Seller (Grantor)/Buyer (Grantee), declares and acknowledges, under penalty of perjury, pursuant to NRS 375.060 and NRS 375.110, that the information provided is correct to the best of their information and belief, and can be supported by documentation if called upon to substantiate the information provided herein. Furthermore, the parties agree that disallowance of any claimed exemption, or other determination of additional tax due, may result in a penalty of 10% of the tax due plus interest at 1 1/2% per month. Pursuant to NRS 375.030, the Buyer and Seller shall be jointly and severally liable for any additional amount owed.

SELLER (GRANTOR) INFORMATION

Seller Signature: John R Overton
 Print Name: John Overton
 Address: 10608 N. Wilson Rd
 City: Hatchinson
 State: KS 67504
 Telephone: () _____
 Capacity: _____

BUYER (GRANTEE) INFORMATION

Buyer Signature: Gary Betschart
 Print Name: Gary Betschart / AG Commodity
 Address: Box 28
 City: Eureka
 State: WV Zip: 89316
 Telephone: () _____
 Capacity: _____

COMPANY REQUESTING RECORDING

Co. Name: _____ Esc. #: _____

(AS A PUBLIC RECORD THIS FORM MAY BE RECORDED/MICROFILMED)