

CONTRACT OF SALE

THIS CONTRACT OF SALE AGREEMENT is made on this 23rd day of August, 2001, by and between BETTY J. LAMBS and DONALD R. BENFORD, of the County of Eureka, State of Nevada, hereinafter referred to as Sellers, and HUGH R. PHILLIPS and MARCIA L. PHILLIPS, as tenants in common, of the county of Eureka State of Nevada, hereinafter referred to as Buyers.

WITNESSETH:

FOR AND IN CONSIDERATION of the mutual promises, covenants and agreements contained herein, the parties agree as follows:

1. Sellers agree to sell to Buyers and Buyers agree to purchase from Seller all that certain real property situated in the County of Eureka, State of Nevada, in as is condition and being more particularly described as follows:

Approximately 5 acs of land, of the following description:
Parcel Number ___ of that portion of the North half of the Northeast quarter Section 5, Township 29 North, Range 48 East, MCB&M., shown as "Not a Part" on the map of Crescent Valley Ranch & Fas, Unit No. 1, recorded in the Office of the Eureka County Recorder, as Document No. _____, on the _____ day of _____, 2001.

To include, but is not limited to:

- (1) Main Building: approximately 6000 sq. feet, housing an apartment, bar and restaurant facilities, including all furniture, equipment, apparatus, supplies, linens, etc., except those chosen or selected by Sellers as their own personal property.
- (2) 2 Trailers house 6 sleeping rooms.
- (3) 1 10x50 1961 motor Trailer, Ser. #DK9751, lot #5
- (4) 1 Travel Trailer Ser #404726, lot #19
- (5) Approximately RV lot spaces
- (6) Workshop Trailer and contents

2. The purchase price is TWO HUNDRED THOUSAND DOLLARS (\$200,000.00), payable under the following conditions:

(1) There shall be down payment.

(2) Principal shall be paid in monthly installments of FIFTEEN HUNDRED DOLLARS (\$1500.00), including interest on the decreasing balance at the rate of FIVE AND ONE HALF PERCENT PER ANNUM (5.5%), from the 1st day of September, 2001. The first installment will fall due on the 30th day after Buyers taking possession of the property with subsequent installments due on that same day of each and every month thereafter until the principal has been fully paid.

(3) If any default or deficiency be made in (a) the payment of the purchase price or any portion of installment thereof, or (b) in the performance of this contract; and such default or deficiency is

not cured within the five (5) days after written notice from Sellers, or either one of the Sellers, to Buyers, either one of the Buyers, then at the option of the Sellers, the entire unpaid principal balance, together with all accrued interest and other sums payable under this Contract shall immediately become due and payable in full, although the time for maturity expressed herein shall not have arrived.

If default results in litigation all attorney fees and/or court costs shall be borne by Buyers.

(4) The property and the parcel on which The Ranch House is situated shall be prorated at time of parceling but shall be figured from the date of occupancy and Buyers shall be responsible for the parcel being purchased...

(5) Buyers shall have the privilege of making larger or additional payments, without penalty, at any time which shall be credited against the principal. The making of additional or larger payments shall not release the obligation of Buyers to make monthly installments. In all events, each monthly installment shall be paid as it becomes due, until the purchase price is fully paid.

3. It is the understanding of Seller and Buyers that the parceling of the land into three (3) separate parcels could and may take up to six (6) months, going through all the channels needed for that action. However, Sellers agree that Buyers shall have access to the parcel of property being sold as soon as possible from this date, but shall have a valid liquor license and adequate insurance coverage before opening for business.

Until payment in full of the purchase price has been made by the Buyer, Buyer shall at all times provide and maintain a policy of adequate fire insurance insuring the premises and improvements against fire and extended coverage loss thereon, naming Seller as Seller's interest then appears.

In addition to such fire and extended insurance coverage, the Buyer shall provide and pay the premiums for Policy of Public Liability and Property Damage in adequate amounts for public liability purposes.

Buyer shall properly evidence such insurance coverage in writing and deposit the same in the form of a binder certificate of insurance with the Seller each and every time such policy is renewed.

4. Sellers shall have as much time as they need to locate housing and to vacate the apartment premises after this contract of sale has been consummated, if they have not already done so, but in any event, Sellers shall expedite this task as much as possible.

5. Title shall remain in Seller until full payment of the purchase price. The parties agree to execute and record in the office of the Eureka County Recorder a Notice of Contract setting forth the parties and subject matter of this Contract of Sale.

6. The parties agree that they or any of them will not voluntarily or involuntarily cause or place any liens, encumbrances or security interest upon or accrue against the property sold hereunder while any portion of the purchase price remains unpaid, including, however, property taxes assessed but not delinquent in payment.

7. Buyer agrees, during the term of this Contract, to operate and maintain the premises as a bar, restaurant and trailer court, and any other business venture suitable to property and keep and maintain the premises, building, mobile homes and improvements thereon in at least as good a condition as at transfer of possession which is the date of the execution of this Contract.

Buyer further hereby agrees to indemnify and save the Seller harmless from any and all liabilities, obligations,

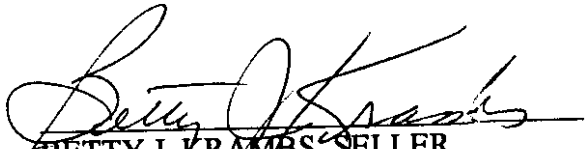
claims, suits and demands of any nature including but not limited to death, personal injuries, contracts, expressed or implied, taxes, liens, any persons or entity at any time arising directly or indirectly by reason of Buyer's ownership, business operations, use and occupancy of the premises being sold.


8. Until full payment of the purchase price, neither this Contract nor any rights hereunder nor any rights, title, interest in the property sold shall be assigned, transferred or otherwise conveyed, in whole or in part, by Buyers without the prior written consent of the Seller, and any such assignment, transfer or conveyance without the prior written consent of Seller shall constitute a breach and default of this Contract.

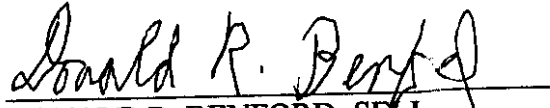
9. This Contract shall inure to the benefit of and be binding upon the Seller, Seller's heirs, executors, administrators and assigns accordingly.

The term "Buyers" shall include singular as well as plural and this Contract shall inure to the benefit of and be binding upon the Buyers, jointly and severally, and subject to restriction of assignment, respective heirs, executors, administrators and assigns of each Buyer.

Agreed and executed this 23 day of August 2001, at Crescent Valley, Nevada, with all parties present.


BETTY J. KRAMBS, SELLER

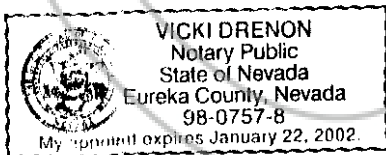

MARCIA L. PHILLIPS, BUYER

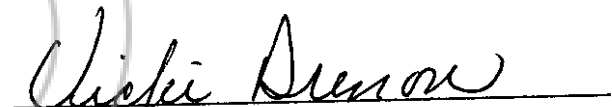

DONALD R. BENFORD, SELLER


HUGH R. PHILLIPS, BUYER

State of Nevada)
County of Eureka) ss

On this 23rd day of August, 2001, Betty J. Krambs, Donald R. Benford, Marcia L. Phillips, and Hugh R. Phillips, personally appeared before me, a notary public for the State of Nevada, and executed the within document.




Notary Public
My Commission expires 1-22-02

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OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
Betty Krambo
01 AUG 31 AM 11:43

EUREKA COUNTY NEVADA
M.N. REBALEATI, RECORDER
FILE NO. FEES 10⁰⁰

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