

developed and acquired by PAYNE during the term of the Exploration Lease with respect to the quantities and types of ore existing on the Premises.

6. Purchase of Equipment. On or before October 30, 1965, PAYNE shall have the option to purchase the machinery and equipment belonging to AMC situated on the Premises, or elsewhere in the State of Wyoming at that time, for a purchase price to be agreed upon by the parties in a supplementary Agreement, and subject to the identity, value, and clear title to each item of such machinery and equipment. As soon as possible after the execution of this Agreement, the parties shall prepare and jointly approve an inventory and valuation of the machinery and equipment situated on the Premises, which valuation shall include the cost of moving the machinery and equipment onto the property, and which inventory shall be marked Exhibit "B" and later attached hereto and incorporated herein by reference. Any machinery and equipment not included shall be released for sale by AMC. Any payment of rental on the equipment, referred to in article "1. Lease." hereof, shall be subject to this paragraph and to article "7. Titles."

7. Titles. AMC warrants that it has the unencumbered possessory interest in the mining claims which constitute the Premises, subject only to the following mortgages, liens, encumbrances, easements or other rights of third parties in the Premises, and none other:

The rights of Charles A. Finch, Donald W. Finch, Edwin D. Finch and Leon P. Finch as a lien and encumbrance on the Premises because of loans made to AMC by said Finch Brothers in the amount of \$172,475.75 to April 30, 1964, not including contingent or subsequent obligations. AMC undertakes to promptly obtain a subordination agreement from said Finch Brothers and from their wives to the rights of PAYNE herein.

AMC does hereby guarantee and warrant to PAYNE the quiet and undisputed enjoyment of the Premises, for the purpose of sampling, investigation and mining, and the right to extract the minerals therefrom and all other rights