

LAND LEASE

STATE OF NEVADA
COUNTY OF LINCOLN

WE, MAX McCROSKY, WILLIAM L. McCROSKY, ROBERT E. McCROSKY and HOWARD McCROSKY, all brothers, hereinafter called "Lessors", hereby make this Lease with DAVID A. WITTS, hereinafter called "Lessee", on the following terms:

1. Lands. The lands to be leased comprise approximately 1,500 acres, more or less, more particularly described in Exhibit "A" attached hereto.
2. Term. This Lease shall be for a period of three (3) years, commencing September 1, 1977.
3. Rent. The rent shall be \$4,000.00 for the year 1977, \$8,000.00 for the year 1978 and \$16,000.00 for the year 1979.
4. Properties. This Lease shall cover all lands and improvements thereon.
5. Cattle. This Lease shall also include the cattle presently on the leased lands which are owned by Lessors. These cattle consist of approximately 150 head of Charolais Cross Cows and approximately 10 bulls. A description of the cattle, brands and other identifying details will be furnished to Lessee.
6. Development and Mineral Rights. Lessee shall have exclusive authority for development and improvement of the property, including all mineral and water rights.
7. Renewal Option. Lessee may renew this Lease for an additional three (3) year term, provided he gives Lessors written notice of such renewal at least ninety (90) days prior to the expiration of this Lease, and provided he has not breached any provision of this Lease.

8. Renewal Rent. If this option is exercised, the rent for the first year of the renewal term shall be \$18,000.00, \$20,000.00 for the second year of renewal and \$22,000.00 for the third renewal year.

9. Purchase Option. Lessee shall have the right to purchase these lands at any time while this Lease is in effect for the prices set forth on Exhibit "B" attached hereto. If this purchase is exercised, no part of the rent shall apply on the purchase price.

10. Purchase of Cattle and Equipment. During the life of this Lease, Lessee shall have the right of first refusal to purchase any of Lessors' cattle or equipment that may be located on the leased lands. The purchase price will be mutually agreed upon at time of purchase.

11. Property Taxes. Lessors shall pay all property taxes during the Lease.

12. Insurance. Lessee shall not be required to maintain insurance on any of the property or premises leased.

13. Operation. Lessee shall conduct operations on the leased property in a good, prudent and workmanlike manner. He shall not permit the properties to suffer disrepair or neglect. At the termination of this Lease, Lessee shall turn over all properties to Lessors in the same or better condition than when received, with the exception only of reasonable wear, tear and depreciation.

14. Sale by Lessors. Should Lessors desire to sell all or any part of these lands during this Lease, they shall give Lessee a first refusal to purchase.

15. Binding. This Lease shall be binding upon our heirs, administrators, successors or assigns.

16. Effective Date. The effective date of this Lease shall be September 1, 1977.

EXECUTED THIS 7TH day of September, 1977.

LESSORS:

LESSEE:

Max McCrosky
MAX MCCROSKY

David A. Witts
DAVID A. WITTS

William L. McCrosky
WILLIAM L. MCCROSKY

Robert E. McCrosky
ROBERT E. MCCROSKY

Howard McCrosky
HOWARD MCCROSKY

STATE OF TEXAS
COUNTY OF DALLAS

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this day personally appeared DAVID A. WITTS, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 7th day of September, 1977.

Leon Spert
NOTARY PUBLIC, DALLAS COUNTY, TEXAS

MY COMMISSION EXPIRES
MARCH 31, 1979

STATE OF NEVADA
COUNTY OF LINCOLN

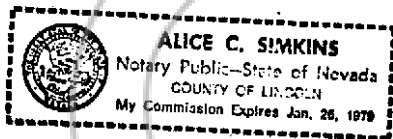
BEFORE ME, the undersigned, a Notary Public, in and for
said County and State, on this day personally appeared MAX McCROSKY,
WILLIAM L. McCROSKY, ROBERT E. McCROSKY and HOWARD McCROSKY,
known to me to be the persons whose names are subscribed to the
foregoing instrument, and acknowledged to me that they executed the
same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 7th day of
September, 1977.

Alice C. Simkins
Notary Public, Lincoln County, Nevada

My Commission Expires:

Jan 26, 1979



Lincoln County

The following described property situated in Lincoln County, Nevada

Lot 2 of Section 1; the Northwest quarter of the Southwest quarter of Section 2; the Southeast quarter of the Northeast quarter of Section 4; the Southwest quarter of the Northeast quarter of Section 12; the North half of the Southeast quarter of Section 14; the Southwest quarter of the Northwest quarter of Section 25; and the Northeast quarter of the Southeast quarter of Section 26, all in Township 4 North, Range 68 East of the Mount Diablo Meridian, consisting of 280 acres of land, more or less.

The Northeast quarter of the Southwest quarter of Section 2; Lots 5 and 6, the Southwest quarter of the Southeast quarter of Section 6; the Northwest quarter of the Northeast quarter and the Southeast quarter of the Northeast quarter of Section 7; the Northeast quarter of the Southeast quarter of Section 9; the Northwest quarter of the Northeast quarter of Section 17; the Southeast quarter of the Southwest quarter of Section 21; the Southwest quarter of the Northeast quarter, the East half of the Southeast quarter, the Southwest quarter of the Southeast quarter of Section 26; the Southeast quarter of the Northeast quarter of Section 27; the West half of Section 28; the Northeast quarter of the Northeast quarter of Section 32; the Northwest quarter and the North half of the Southwest quarter of Section 33; all in Township 5, North Range 68 East of the Mount Diablo Meridian, consisting of 260 acres, more or less.

The East half of the Southwest quarter of Section 10; the South half of the Northeast quarter, and the Southwest quarter of the Southwest quarter of Section 12; the East half of the Northwest quarter of Section 15, the Northwest quarter of the Southwest quarter and the Southeast quarter of the Southwest quarter of Section 23; the Northwest quarter of the Southwest quarter of Section 24; the Southwest quarter of the Northeast quarter of Section 29; the Northeast quarter of the Northeast quarter of Section 35; the Southeast quarter of the Southwest quarter of Section 36; all in Township 6 North, Range 68 East of the Mount Diablo Meridian, consisting of 480 acres, more or less.

The Southeast quarter of the Southwest quarter of Section 1; Lot 4 of Section 3; the Southeast quarter of the Northeast quarter of Section 4; the Southwest quarter of the Southwest quarter of Section 5; the North half of the Northwest quarter; the Southeast quarter of the Northwest quarter, and the East half of the Southwest quarter, and the Southwest quarter of the Southeast quarter of Section 8; the Northwest quarter of the Northeast quarter of Section 17; the Northwest quarter of the Southwest quarter of Section 15; the Northeast quarter of the Northwest quarter of Section 24; all in Township 5 North, Range 69 East of the Mount Diablo Meridian, consisting of 160 acres, more or less.

Lot 2 and the Southwest quarter of the Northeast quarter of Section 7; the Northeast quarter of the Northeast quarter of Section 19; the Southwest quarter of the Northwest quarter of Section 21; Lot 2 of Section 30; the Northwest quarter of the Southeast quarter of Section 31; all in Township 6 North, Range 69 East of the Mount Diablo Meridian, consisting of 200 acres, more or less.

Lincoln County

Lincoln County, Nevada

Rose Valley

Mount Diablo Meridian, Nevada

T 1 N, R69E
Sec. 16, SE 1/4 SW 1/4;
Sec. 21, W 1/2 NW 1/4;

containing 120.00 acres.

McDermitt - 160 acres

East half of the Southeast Quarter (E 1/2 SE 1/4) and the Southwest Quarter of the Southwest Quarter of Section 25 and also the Northeast Quarter (NE 1/4 NE 1/4) of Section 36 Township 5 North Range 65 East

Rose Valley

38.75 acres in SW 1/4 SW 1/4 Section 16, Township 1 North, Range 69 East

1.25 acres in the W 1/2 SW 1/4 SW 1/4 SW 1/4 of Section 16 Township 1 North, Range 69 East in Lincoln County, Nevada.

EXHIBIT "A"

Lincoln County

Located in Lincoln County, Nevada

All of the East Half of Northwest quarter E 1/2 NW 1/4 Section 21; also all the West Half of West Half; W 1/2 W 1/2 of Section Twenty-One (Sec.21); West of the division fence between Lytle Ranch and the Devlin Ranch - 100 acres (Rose Valley)

Also a triangular piece of land in Northeast Quarter of Northeast Quarter (NE 1/4 NE 1/4) of Section Twenty-one (Sec. 21) Township One North (T1N) Range Sixty-nine East (R69E) MDB&M, described as: Beginning at the Northeast corner of said Northeast Quarter of Northeast Quarter (NE 1/4 NE 1/4), Section Twenty-one (Sec. 21) thence West along north boundary line of said Northeast Quarter of Northeast Quarter (NE 1/4 NE 1/4), 1025 feet, thence South 30' East 650 feet, thence North 52° 41' east 1212 feet to place of beginning known as "Coumerilh Gardens", containing 8.1 acres, more or less. (Rose Valley)

PARCEL ELEVEN:

Also the Northeast Quarter of Southeast Quarter (NE 1/4 SE 1/4) Section One (Sec. 1) Township Three North (T3N), Range Sixty-nine East (R69E), MDB&M; and also Lots six (6) and seven (7) in Section Six (Sec. 6) and the Southwest quarter of Northeast quarter (SW 1/4 NE 1/4); the Southeast Quarter of Northwest Quarter (SE 1/4 NW 1/4) Northeast Quarter of Northeast Quarter (NE 1/4 NW 1/4) and Lots One(1) and Two (2) in Section Seven (Sec. 7), Township Three North (T3N), Range Seventy East (R70E), MDB&M, 304 acres (Spring Valley)

PARCEL TWO

A parcel of land beginning at Northwest (NW) corner of Northeast Quarter of Southwest Quarter (NE 1/4 SW 1/4) Section Thirty-five (35), Township Two North (T2N), Range Sixty-nine East (R69E), MDB&M, thence East 1600 feet more or less; thence South 5° 15' West 756 feet, thence North 73° 55' West 264 feet; thence South 17° 10' West 1930 feet; thence North 82° 08' East 440 feet, more or less; thence South 15° 14' West 270 feet; thence South 53° 45' West 1300 feet, more or less; thence North 3340 feet, more or less to point of beginning containing 71.3 acres, more or less, in North half of Northeast Quarter (N 1/2 NE 1/4) Section Two (2), Township One North (T1N), Range Sixty-nine East (R69E), MDB&M, and in East Half of Southwest Quarter (E 1/2 SW 1/4) and Northwest Quarter of Southwest Quarter (NW 1/4 SE 1/4) Section Thirty-Five (35) Township Two North (T2N), Range Sixty-nine East (R69E), MDB&M, together with any and all water and water rights appurtenant thereto. (Eagle Valley)

PARCEL THREE:

A parcel of land beginning at a point South 78° 10' East 737 feet from Northwest (NW) corner of Northeast Quarter of Northwest Quarter (NE 1/4 NW 1/4) Section Two (2), Township One North (T1N), Range Sixty-nine East (R69E), MDB&M, thence South 68° 30' East 960 feet; thence South 13° 20' West 423 feet; thence North 68° 30' West 1302 feet; thence North 53° 45' East 494 feet to a point of beginning, containing 11.4 acres, more or less, in Northeast Quarter of Northwest Quarter (NE 1/4 NW 1/4) and West half of Northwest Quarter of Northeast Quarter (W 1/2 NW 1/4 NE 1/4) Section Two (2), Township One North (T1N), Range Sixty-nine East (R69 E), MDB&M together with Six hours of water in Eagle Valley Irrigation Company.

A parcel of land beginning at Northwest (NW) corner of Southwest Quarter of Southeast Quarter (SW 1/4 SE 1/4) Section Ten (10) Township One North (T1N), Range Sixty-nine East (R69E), MDB&M, thence East 1320 feet; thence North 699 feet; thence South 66° 47' East 961 feet; thence East 418 feet; thence South 961 feet; thence West 908 feet; thence North 66° 11' West 1150 feet; thence West 680 feet; thence North 184 feet, to point of beginning, containing 39.95 acres, more or less in the Northeast Quarter of Southeast Quarter (NE 1/4 SE 1/4) and in North Half of South Half of Southeast Quarter (N 1/2 of S 1/2 SE 1/4) Section Ten (10), Township One North (T1N) Range Sixty-nine East (R69E), MDB&M.

PARCEL FIVE: Eagle Valley

A parcel of land beginning at point 1468 feet north of Southwest (SW) corner of Section Two (2), Township One North (T1N), Range Sixty-nine East (R69E), MDB&M; said point being on dividing line between Section Two (2) and Section Three (3); thence running East 435 feet; thence South 71° 33' East 1058 feet; thence North 19° 47' East 179 feet; thence South 70° 13' East 525 feet; thence East 647 feet, to quarter section line between Southwest Quarter (SW 1/4) and Southeast Quarter (SE 1/4) of said Section Two (Sec.2); thence North 544 feet; thence West 425 feet; thence North 71° 40' West 1446.6 feet, thence West 842 feet, to dividing line between said Sections Two and Three, thence South along said dividing line 655.7 feet to point of beginning, all situate in Southwest Quarter (SW 1/4) of Section Two (Sec.2), Township One North (T1N), Range Sixty-nine East (R69E), MDB&M, containing 40.66 acres, more or less, together with sixteen (16) hours of water in Eagle Valley Irrigation Co.

PARCEL SEVEN:

An undivided two-thirds (2/3) interest in and to Southeast Quarter of Northeast Quarter (SE 1/4 NE 1/4) Section thirty-two (Sec.32) Township Five North (T5N) Range Sixty-five East (R65E), MDB&M, consisting of 40 acres more or less, commonly known as the Meloy or Malloy Springs Property, together with possessory claim in and to; Bailey Springs, Indian Springs, South Cherry Springs, Wild Horse Springs, Garden Patch Spring, Horn Silver Springs, Scotty Springs (all in Township Four North (T4N), Range Sixty-five East (R65E), MDB&M, also Lost Man Springs and North Cherry Springs (all in Township Five North (T5N), Range Sixty-five East (R65E), MDB&M, and also Field Spring.

PARCEL EIGHT:

An undivided five-sixteenth interest in and to West half of Southeast Quarter (W 1/2 SE 1/4) and Southwest Quarter (SW 1/4) of Section Fifteen (Sec.15); also East Half of Southeast Quarter (E 1/2 SE 1/4) of Section Sixteen (Sec. 16), all in Township Five North (T5N) Range Sixty-seven East (R67E), MDB&M, consisting of 320 acres, commonly known as "Brown Springs Property."

Lincoln County

EXHIBIT "B"

1,590 acres in Lincoln County, Nevada as follows:

ROSE VALLEY 388.75 acres	\$1,000.00 per acre
<i>712.11</i> EAGLE VALLEY 16231 acres <i>162.31</i>	\$1,000.00 per acre
SPRING VALLEY 304 acres	\$ 500.00 per acre
MALLOY 27 acres	\$1,000.00 per acre
RANGE LANDS 710 acres	\$ 150.00 per acre

No. 61021
FILED AND RECORDED AT REQUEST OF
William McCrosky
December 19, 1977
AT 5 MINUTES PAST 1 O'CLOCK
P. M. IN BOOK 23 OF OFFICIAL
RECORDS, PAGE 388 LINCOLN
COUNTY, NEVADA

David L. ...
COUNTY RECORDER

EXHIBIT "B"