

LEASE

THIS LEASE, made as of the 15th day of October, 1986, between KAY WRIGHT, Lessor, and STUART and VALERIE TWITCHELL, Hiko, Nevada, Lessee. The leased property, described below will be used in part, as base property to tie the ACM's in with middle Coal Valley, Oreana Springs, and Bird Springs now controlled by Stuart and Valerie Twitchell.

Said ACM's will be used as callateral for Stuart and Valerie Twitchell to obtain a loan from Utah Production Credit Association.

WITNESSETH:

1. PREMISES. The Lessor does hereby lease unto the lessee all that certain real property, located in Cottonwood, Nye County, Nevada, particularly described as follows:

Together with an undivided 1/3 interest in and to all of the herein-after described property, situate and being in the County of Nye, State of Nevada, and bounded and more particularly described as follows, to wit:

H.E. Survey No. 118, embracing a portion of Township 2 North of Range 57 East of the mount Diablo Meridian, Nevada, more particularly bounded and described as follows: Beginning at Corner No. 1, from which the quarter corner on the West line of Section 7 in Township 2 North of Range 57 East bears South 87°18' East, 45.29 chains distant; thence North 86°24' West, 25.85 chains to corner No. 2; thence North 40°9' West, 17.49 chains to corner No. 3; thence South 78°57' West, 41.02 chains to corner No. 4; thence North 10°9' West, 7.93 chains to corner No. 5; thence North 66°44' East, 60.10 chains to corner No. 6; thence South 31°19' East, 45.28 chains to corner No. 1, the place of beginning, containing 135.99 acres, according to the Official Plat of Survey of the said land, returned to the General Land Office by the Surveyor General, which above described patent was conveyed by the United States of America as Patent Number 674359, dated the 16th day of April, 1919;

TOGETHER WITH that certain water right evidenced by Application No. 1703, granted by the State of Nevada and recorded in Book 1 of Water Appropriations, page 126, Nye County Records, and all water, water rights, water applications and all water permits, or privileges, connected with, belonging, appurtenant to or incident to the lands hereby conveyed, or used in connection with all or any part of the above described premises, or used or useable in connection therewith, and all dams, reservoirs and ditches, canals or other works for storage or carrying of water now owned by the Lessor, or in which they now have or may hereafter acquire any interest, and all applications now pending in the office of the State Engineer of the State of Nevada, for any and all waters to be used upon any part or portion of the above described lands or used in connection therewith, also all water rights of every kind, nature and description owned by the Lessors or in which they have an interest, including all stockwatering rights, privileges and permits;

2. Term. The Lessee shall have and hold the above described premises subject to the provisions of this lease for a period of ten years commencing on the 15th day of October, 1986.

3. TAXES. The Lessee shall pay when due all taxes, assessments and other charges levied on the real property, beginning with the taxes for fiscal year 1986-87 and continuing through the initial term and any renewal term of this lease

IN WITNESS WHEREOF the parties have executed this lease as of the date hereinabove written

Lessor

Lessee

By Kay Wright
Kay Wright

Stuart L. Twitchell
Stuart L. Twitchell
Valerie H. Twitchell
Valerie H. Twitchell

STATE OF NEVADA COUNTY OF LINCOLN ON OCTOBER 16, 1986 personally appeared before me, a Notary Public, KAY WRIGHT AND VALERIE H. TWITCHELL. who acknowledged that they executed the above instrument.

Cindy A. Nesbitt
CINDY A. NESBITT NOTARY PUBLIC



Lincoln County

STATE OF NEVADA)
)
COUNTY OF LINCOLN)

On October 21, 1986, personally appeared before me, a Notary Public,
STUART L. TWITCHELL, who acknowledged that he executed the above instrument.

Mara L. Condie
Notary Public

My Commission Expires 8-22-88.



No. 85791
FILED AND RECORDED AT REQUEST OF
Stuart L. Twitchell
Oct. 21, 1986
AT 50 MINUTES PAST 9 O'CLOCK
A.M. IN BOOK 72 OF OFFICIAL
RECORDS, PAGE 463 LINCOLN
COUNTY, NEVADA.

YURIKO SETZER
COUNTY RECORDER

By Mara Condie, Deputy