

CONTRACT TO BUY AND SELL WATER

THIS CONTRACT TO BUY AND SELL WATER is made this 3rd day of August, 1988, between FLATNOSE RANCH, a Nevada partnership of Pioche, Nevada, (hereafter referred to as "SELLER") and LESTER M. BARR of Springville, Utah (hereafter referred to as "BUYER")

WITNESSETH

1. **PURCHASE:** The undersigned person(s) Lester M. Barr (BUYER) agrees to buy water in truckload quantities, and the undersigned agents for FLATNOSE RANCH (SELLER), George C. Crawford and John Mathews agree to sell water in truckload quantities from Flatnose Spring, which is owned by SELLER, upon the terms and conditions stated herein.
2. **ADVANCE:** SELLER hereby acknowledges having received a \$5,000.00 nonrefundable cash payment from BUYER to seal this contract.
3. **PRICE AND TERMS:** BUYER shall pay three cents (\$.03) per gallon to SELLER for water from Flatnose Spring. The water shall be paid for monthly. An invoice shall be issued by SELLER each month listing loads shipped 1st through 31st of the month, which shall be due and payable on the 15th of the month following shipment.
4. **TERM:** This contract shall become effective upon being signed and notarized by undersigned agents for BUYER and SELLER. BUYER shall have exclusive right to market Flatnose Spring water as stated in Paragraph 5, for fifty (50) calendar years from effective date of this contract. Whereupon BUYER shall have the option to renew this contract for an additional fifty (50) years. If two (2) calendar years shall elapse without payment of at least \$2,000.00 to SELLER this contract shall be null and void.
5. **EXCLUSIVITY:** When this contract becomes effective in accordance with the conditions of Paragraph 4: a) BUYER shall have the exclusive right to market water from Flatnose Spring for human and animal consumption, or any other purpose subject to the constraints of Paragraph 6. b) SELLER shall not sell, nor contract to sell, water from Flatnose Spring to anyone but BUYER. SELLER shall retain the right to use all water from Flatnose Spring not shipped to BUYER for purposes of furthering normal ranch operations such as irrigation, domestic, watering animals, etc.
6. **NONINTERFERENCE:** SELLER (Flatnose Ranch) is first and foremost a ranching operation in Lincoln County, Nevada, producing hay, grain, cattle, potatoes and etc. The rights, privileges, products and guarantees conveyed to BUYER by the terms and conditions of this contract shall not be construed nor extended in any way so as to interfere with the normal ongoing operations of Flatnose Ranch.
7. **ACCESS:** When this contract becomes effective as mentioned in Paragraph 4: a) BUYER shall have access to Flatnose Spring at all times for sampling, shipment, showing to clients etc., subject to the constraints

of Paragraph 6. b) BUYER shall provide shipping transportation for the water, c) SELLER shall not interfere with the designation nor the contracting of carriers for the water. d) SELLER shall have the responsibility to load carriers, designated by BUYER, in a timely manner. e) SELLER shall have the right to require shipping carriers to adhere to reasonable scheduling and to follow SELLER'S policy on weighing in and out and execution of shipping documents.

8. RIGHT OF FIRST REFUSAL: When this contract becomes effective as mentioned in Paragraph 4, BUYER shall have the right to purchase SELLER'S ranch real estate, if it is offered for sale as a result of foreclosure or bankruptcy by either satisfying creditors or by matching the highest offer made for said real estate.

9. PARTICIPATION: BUYER shall give consideration to adjusting the price of the water based on changes in the consumer price index and consistant with appropriate profit levels in BUYER'S water sales business.

10. MARKETING COSTS: BUYER shall pay all costs incurred in transporting, packaging and marketing the water, including but not limited to costs of test and analyses, demonstrations, sampling, sample shipping, etc.

IN WITNESS WHEREOF the parties have signed this agreement.

Lester M. Bahr  
Lester M. Bahr

George C. Crawford  
George C. Crawford

Dolores A. Bahr  
Dolores A. Bahr

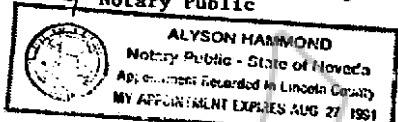
Edra B. Crawford  
Edra B. Crawford

John Mathews  
John Mathews

Donnene Mathews  
Donnene Mathews

Subscribed and sworn to before me  
this 3rd day of August, 1988.

Alyson Hammond  
Notary Public



Subscribed and sworn to before me  
this 8th day of August, 1988.

Opette M. Robertson  
Notary Public

No. 90837  
FILED AND RECORDED AT REQUEST OF  
John Mathews  
March 8, 1989  
At 30 MINUTES PAST 2 O'CLOCK  
P. M. IN BOOK 84 OF OFFICIAL  
RECORDS, PAGE 229 LINCOLN  
COUNTY, NEVADA.

FRANK C. HULSE  
COUNTY RECORDER  
By Mara Cordia Deputy