

LEASE WITH OPTION TO PURCHASE

Know All Men By These Presents:

This Lease with Option to Purchase, executed in duplicate at Fallon, Nevada, this 22ND day of SEPTEMBER, 1971, by and between Kenneth A. Gotchal and Doris M. Gotchal, his wife, of Route 2, Box 157, Fallon, Churchill County, Nevada, hereinafter called Lessor, and Ken Gotchal Enterprises, a Nevada Corporation, of 400 South Wells Avenue, Reno, Washoe County, Nevada, hereinafter called Lessee.

WITNESSETH:

1. LEASED PREMISES: That the Lessor for and in consideration of the rents, promises, covenants and agreements hereinafter set forth and contained, on the part of the Lessee to be paid, kept and performed, does by these presents lease and let unto said Lessee the following described property and premises, situated in the City of FAL-LON, County of CHURCHILL, State of NEVADA, TO WIT:

All vacant land described as follows: S. E. 1/4 of N. W. 1/4, Sec. 34, T. 19 N., R. 29E., of the M. D. B. & M., commencing at the W. 1/4 Corner of Sec. 34, T. 19N., R 29E., of the M. D. B. & M., which said corner is marked with original stone, thence N. 87° 33' 10" East for a distance of 1,518.65 feet to an iron pipe at an existing fence corner which said point is the S. W. corner of this parcel and the true point of beginning, thence around the parcel as follows: N. 6° 16' 50" E. for a distance of 145.60 feet to a point, thence N. 35° 7' 40" E. for a distance of 141.81 feet to a point, thence N. 79° 21' 30" E. for a distance of 277.52 feet to a point, thence S. 5° 33' 20" W. for a distance of 318.33 feet to a point, thence N. 89° 10' 40" W. for a distance of 339.50 feet to the point of beginning. Together with all and singular waters and water rights, ditches and ditch rights, tenements, heridiments, appurt-ances therewith belonging or anywise appertaining and the reversion or reversions, remainder, and remainders, rents, issues, profits thereof recorded in Book 15, Page 15, Churchill County records; except house occupied by Kenneth A. & Doris M. Gotchal, know as Route 2, Box 157, Fallon, Nevada 89406. And it is mutually agreed by and between the parties hereto that this lease is made on the following terms and conditions:

2. TERM That the term of this lease shall be THREE (3) years commencing on the 1ST day of OCTOBER 1971, and ending at midnight on the 30TH day of SEPTEMBER, 1974, unless sooner terminated by agreement of the parties, or for violation of this lease, or any provisions thereof, as hereinafter provided.

3. RENTAL: Said Lessee shall pay to said Lessor as and for the rental of said demised premises the sum of One Hundred Fifty and No / 100 (\$150.00) dollars per month on the First (1st) day of each and every month during the term thereof, with the first months rental and to be paid in advance and upon the execution of this lease.

4. UTILITIES & TAXES: The Lessor agrees to pay all property taxes assessed against the premises, and the Lessee agrees to pay all taxes assessed against personal property owned by it, in, or about the leased pre-mises. The Lessee further agrees to pay promptly when due all occupation and license taxes, all sanitary and inspection fees.

It is further agreed between lessor and lessee that for and in consider-ation of the sum of Ten (\$10.00) dollars, this day paid to lessor by lessee, the receipt whereof is hereby acknowledged, lessor hereby grants and gives to the lessee herein the exclusive right of option, at any time while this lease is in effect, to purchase said real estate of lessor at and for the sum and price of Fifteen Thousand (\$15,000.00) dollars. If said option is exercised by lessee as herein provided, it is agreed that credit of principal only shall be given on

LEASE WITH OPTION TO PURCHASE (Continued)

said purchase-price for the cash payment this day made for the consideration of this option, and lessee shall further have credit on said purchase-price for a sum of principal monthly rental payments herein stipulated and theretofore paid, at which time said lessor agrees to furnish a merchantable abstract of title showing title of said real estate in lessor free of all liens except those of record.

In the event, however, that said lease is forfeited, or lessee's right and interest herein lost by lessee's failure to comply with the terms and provisions thereof, or in the event of said lessee's failure to exercise this option, having the right to do so, then said cash payment for this option shall be retained by lessor as and for the consideration for this option and the right thereby given.

In the event said lessee shall exercise this option to purchase said real estate, and pay said purchase-price aforesaid, together with the amounts of any taxes, municipal and park assessments paid by the lessor during the term of this lease, then lessor hereby binds Kenneth A. Gotchal and Doris M. Gotchal, his wife, administrators and assigns, to convey to lessee said above-described real estate, by a grant, bargain and sale deed in fee simple, subject to taxes and municipal assessments accruing after the date of such deed.

In Witness Whereof, Lessor and Lessee have executed these presents the day and year first above written.

Witness for Lessors:

James R. Miller

Lessor: *Kenneth A. Gotchal*

Lessor: *Doris M. Gotchal*

Witness for Lessee:

James R. Miller

Lessee: KEN GOTCHAL ENTERPRISES

By: *Matthew C. Skender*
Matthew C. Skender, 1st Vice Pres.

By: *Karl H. Wester*
Karl H. Wester, Secretary

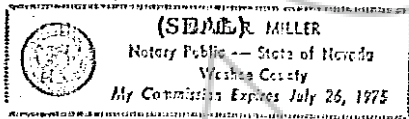
CORPORATE SEAL
Affixed

STATE OF NEVADA)
SS
COUNTY OF CHURCHILL)

Before me a Notary Public, in and for the County of Washoe, State of Nevada, personally appeared Kenneth A. Gotchal and Doris M. Gotchal, his wife, to me known to be the persons who executed the foregoing instrument, who, being by me first duly sworn, acknowledged under oath that they executed said instrument as their free and voluntary act for the use and purposes therein set forth.

Subscribed and sworn to before me this 22nd day of September, 1971

My Commission expires:



James R. Miller
Notary Public

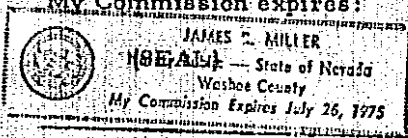
LEASE WITH OPTION TO PURCHASE (Continued)

STATE OF NEVADA)
SS
COUNTY OF CHURCHILL)

Before me a Notary Public, in and for the County of Washoe, State of Nevada, personally appeared Kenneth A. Gotchal and Doris M. Gotchal, his wife, to me known to be the persons who executed the foregoing instrument, who, being by me first duly sworn, acknowledged under oath that they executed said instrument as their free and voluntary act for the use and purposes therein set forth.

Subscribed and sworn to before me this 22nd day of September, 1971

My Commission expires:



James T. Miller
Notary Public

RECORDED AT THE REQUEST OF Ken Gotchal Enterprises
on Oct. 4 19 71 at 30 mins. past 10 A. M. in
Book 40 of OFFICIAL RECORDS, page 466-468 RECORDS OF
LUREKA COUNTY, NEVADA *James T. Miller* Recorder
Vol. No. 551 Fee \$ 5.00