

NOTICE OF LEASE AND AGREEMENT

The undersigned do hereby give Notice of Lease and Agreement between T LAZY S RANCH, a partnership, Lessor and Optionor, and BLUE TAG FARMS, INC.

a Nevada Corporation, Lessee and Optionee.

PERIOD OF LEASE: November 1, 1975 through October 31, 1990, with options to lease additional property of Lessor and Optionor.

PROPERTY SUBJECT HEREOF: Real property situate in Eureka County, Nevada, described as follows:

1. Subject of lease: The Southeast One-Quarter (SE 1/4) of Section 11; all of Section 14; and the West One-Half (W 1/2) and the Northeast One-Quarter (NE 1/4) of Section 23, all in Township 33 North, Range 49 East, M D B & N.
2. Subject of option to lease: The Southwest One-Quarter (SW 1/4) of Section 1; the Southeast One-Quarter (SE 1/4) of Section 2; the West One-Half (W 1/2) and the Northeast One-Quarter (NE 1/4) of Section 11; the West One-Half (W 1/2) of Section 12; and the Northwest One-Quarter (NW 1/4) of Section 13, all in Township 33 North, Range 49 East, M D B & N.

PROVISIONS CONCERNING LIENS AND ENCUMBRANCES: Lessee may encumber Lessee's leasehold interest in the leased lands for the purpose of installing and constructing improvements on the leased lands, provided however, that notice to Lessor of such lien and encumbrance instrument must be shown by Lessor executing an acknowledgment of receipt of such instruments. Furthermore, such lien and encumbrance instruments shall clearly state that under no circumstances shall a lien be created against the real property

of Lessor or the owner thereof. The indebtedness secured by such liens shall have a term of no greater than ten (10) years from the date of this agreement or as to Parcel B from the date of any options exercised hereunder, providing for amortization on a straight-line basis. Any lien existing after ten (10) years from the date of this agreement shall be subject to the default provisions of this agreement. Lessee shall indemnify and hold Lessor harmless from any liens or encumbrances created hereunder. Other than the foregoing, Lessee shall not have the right, privilege or power to in any way create any lien or encumbrance upon the interest of Lessor in the leased lands or the owner thereof.

OTHER INFORMATION: Other information regarding this Lease and Agreement may be obtained from the parties.

DATED: November 6, 1975

LESSOR AND OPTIONOR:

T LAZY S RANCH, a partnership

By

C. B. Thornton, Jr.
C. B. THORNTON, JR.

LESSEE AND OPTIONEE:

BLUE TAG FARMS, INC.
a Nevada Corporation

By

Robert N. Remolte
President ROBERT N. REMOLTE

ATTEST:

Harold D. Porter
Secretary

OWNERS:

FIRST AMERICAN TITLE COMPANY OF NEVADA,
a Nevada Corporation

By

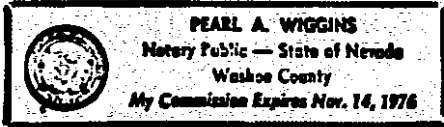
Robert N. Bowen
President ROBERT N. BOWEN

ATTEST:

Merdon A. Anderson
Secretary

STATE OF CALIFORNIA, NEVADA } SS.
COUNTY OF LOS ANGELES }
~~WASHOE~~

On NOVEMBER 6, 1975, personally appeared before me, a Notary Public, C. B. THORNTON, JR., who acknowledged that he executed the above instrument on behalf of T LAZY S RANCH, a partnership.



Pearl A. Wiggins
NOTARY PUBLIC

STATE OF IDAHO } SS.
COUNTY OF POWER }

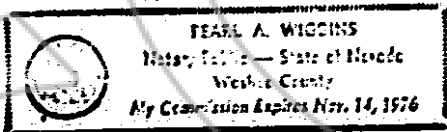
On NOVEMBER 29, 1975, personally appeared before me, a Notary Public, Robert N. Rebholz, President, who acknowledged that he executed the above instrument on behalf of BLUE TAG FARMS, INC., a Nevada Corporation.



Laurie Lynn Baker
NOTARY PUBLIC

STATE OF NEVADA } SS.
COUNTY OF WASHOE }

On NOVEMBER 6, 1975, personally appeared before me, a Notary Public, ROBERT M. BROWN, President, ~~and~~ SECRETARIES, who acknowledged that they executed the above instrument on behalf of FIRST AMERICAN TITLE COMPANY OF NEVADA, a Nevada Corporation.



Pearl A. Wiggins
NOTARY PUBLIC

RECORDED AT THE REQUEST OF C. B. Thornton, Jr.
on November 6, 1975, at 10 mins. past 2 P.M. In
Book 52 of OFFICIAL RECORDS, page 568-570 RECORDS OF
EUREKA COUNTY, NEVADA. WILLIS A. DeTAOLI Recorder
File No. 60560 Fee \$ 5.00

BOOK 52 PAGE 570