

NOTICE OF LEASE AND OPTION

The undersigned hereby give notice that they have entered into that certain Lease

and Option dated the 1<sup>st</sup> day of January 1998, in which they are Landlords and Tenants, as their

respective interests appear, of that certain real property situate in the County of Eureka, State of

Nevada, more particularly described as follows:

Township 21 North, Range 53 East, M.D.B.&M.

Section 3: S $\frac{1}{2}$

Together with all improvements situate thereon.

Together with all water, water rights, rights to the use of water, whether surface or underground or otherwise, whether vested, permitted, certificated, decreed or otherwise, and whether present or future, and all water available through irrigation projects, whether public or private, now or hereafter used or enjoyed in connection therewith, for irrigation, stockwatering, domestic or any other use, or for the drainage of all or any part of the real property, together with all rights and ownership in any water stock owned in connection with the right to receive water for use upon or in connection with the real property, together with all dams, ditches, canals, pipelines, reservoirs, wells and all other means for the diversion or use of water appurtenant to the real property, or any part thereof; including, but without limitation thereto, Certificates Nos. 6182 and 6183, issued by the State Engineer of the State of Nevada.

Landlords:

*Wilfred R. Bailey*  
Wilfred R. Bailey

*Barbara Bailey*  
Barbara Bailey

Tenants:

*Timothy Lee Bailey*  
Timothy Lee Bailey

*Constance Marie Bailey*  
Constance Marie Bailey

WILSON AND BARROWS, LTD.  
ATTORNEYS AT LAW  
442 Court St.  
ELKO, NEVADA 89801

STATE OF NEVADA, )  
)  
) SS. )  
) )  
On January 27<sup>th</sup>, 1998, personally appeared before me, a Notary Public,  
Wilfred R. Bailey and Barbara Bailey, personally known (or proved) to me to be the persons  
whose names are subscribed to the above instrument who acknowledged that they executed the  
above instrument.

MARYJO CASTANEDA  
Notary Public - State of Nevada  
Appointment Recorded in Eureka County  
No. 97-2687-8 - Expires May 21, 2001



STATE OF NEVADA, )  
)  
) SS. )  
) )  
On January 27<sup>th</sup>, 1998, personally appeared before me, a Notary Public,  
Timothy Lee Bailey and Constance Marie Bailey, personally known (or proved) to me to be  
the persons whose names are subscribed to the above instrument who acknowledged that they  
executed the above instrument.

MARYJO CASTANEDA  
Notary Public - State of Nevada  
Appointment Recorded in Eureka County  
No. 97-2687-8 - Expires May 21, 2001



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OFFICIAL RECORDS  
RECORDED AT THE REQUEST OF  
*Timothy Lee Bailey*  
98 JAN 27 AM 8:08  
EUREKA COUNTY NEVADA  
M.M. REBELEATI, RECORDER  
FILE NO. FEES \$8.00

169612

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January 27, 1998