

MEMORANDUM OF LEASE AND OPTION TO PURCHASE  
AND NOTICE OF NON-RESPONSIBILITY

THIS MEMORANDUM OF LEASE AND OPTION TO PURCHASE, executed and

made effective this 1st day of April, 1998, by which the undersigned, FISH CREEK RANCH, LLC,

a Nevada limited liability company, as Lessor and Optionor, hereinafter called "FISH CREEK," and

DANIEL PORTER and MARGIE PORTER, husband and wife, as Lessee and Optionee, herein

called "PORTER," executed a Ranch Lease and Option to Purchase effective as of April 1, 1998, for

that certain property located in Lander and Eureka Counties, Nevada, known as the Willow Creek

Ranch, more particularly described on Exhibit "A" attached hereto and made a part hereof.

Said Lease is for a period commencing April 1, 1998, and ending March 31, 2008.

In addition, FISH CREEK granted PORTER the right, exercisable at any time after the seventh year

of the Lease, to purchase the property described in Exhibit "A" under terms and conditions contained

in said Lease.

During the term of the Lease and Option to Purchase PORTER shall be in possession

of the property and will be making certain improvements, and FISH CREEK will not be responsible

for any work done on said property or the premises, buildings, improvements, or any additions

thereto, or for the construction, alteration, repair, or for any material or labor for services of any

architect or engineer, or the services of any person whatsoever, except for sharing any costs of

surveying the property boundaries of the lands described herein as agreed by the parties, used or to

be used therein or pertaining thereto, or which have been performed, furnished, or used in any manner

or way on the land, property, premises, buildings, improvements, or additions thereto, or which may

hereinafter be performed, furnished or used on the land, property, premises, buildings, improvements,

or additions thereto by PORTER, their contractors, employees, agents, or any assigns thereof.

VAUGHAN & HULL, LTD.  
ATTORNEYS AND COUNSELORS  
LAW OFFICE CENTER  
330 IOVAHO STREET  
P. O. BOX 1420  
ELKO, NV 89803

BOOK 318 PAGE 454

DATED this 1st day of April, 1998.

FISH CREEK RANCH, LLC,  
A Nevada limited liability company

By: *Luther K. Wise*  
Luther K. Wise, Manager

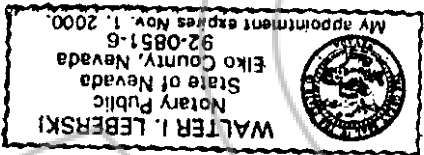
*Daniel Porter*  
DANIEL PORTER

*Margie Porter*  
MARGIE PORTER

STATE OF NEVADA )  
) ss. )  
COUNTY OF ELKO )

The foregoing instrument was acknowledged before me this 1st day of April, 1998,  
by Luther K. Wise, Manager of FISH CREEK RANCH, LLC, a Nevada limited liability company.

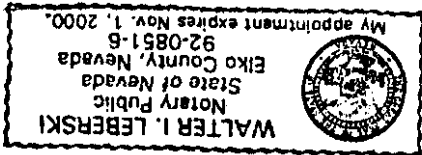
*Walter I. Leberski*  
NOTARY PUBLIC



STATE OF NEVADA )  
) ss. )  
COUNTY OF ELKO )

The foregoing instrument was acknowledged before me this 1st day of April, 1998,  
by DANIEL PORTER and MARGIE PORTER.

*Walter I. Leberski*  
NOTARY PUBLIC



VAUGHAN & HULL, LTD.  
ATTORNEYS AND COUNSELORS  
LAW OFFICE CENTER  
530 IDAHO STREET  
P. O. BOX 1428  
ELKO, NV 89803

BOOK 318 PAGE 455

EXHIBIT "A"

That property situate in the State of Nevada, Counties of Lander and Eureka, described as follows:

PARCEL 1 (LANDER COUNTY):

Township 18 North, Range 48 East, M.D.B.&M.

Section 7: SE $\frac{1}{4}$  NW $\frac{1}{4}$ ; SW $\frac{1}{4}$  NE $\frac{1}{4}$ ; W $\frac{1}{2}$  SE $\frac{1}{4}$ ;  
Section 18: NW $\frac{1}{4}$  NE $\frac{1}{4}$ ;

EXCEPTING THEREFROM an undivided one-half of all oil, petroleum, gas and minerals as reserved in Deed executed by CONLAN LAND & LIVESTOCK, INC., recorded November 13, 1962, in Book 69 of Deeds at Page 250, Lander County, Nevada.

PARCEL 2 (EUREKA COUNTY):

Township 19 North, Range 50 East, M.D.B.&M.

Section 16: W $\frac{1}{2}$  NE $\frac{1}{4}$ ; E $\frac{1}{2}$  NW $\frac{1}{4}$ ; SW $\frac{1}{4}$  NW $\frac{1}{4}$ ; NW $\frac{1}{4}$  SW $\frac{1}{4}$ ;  
Section 17: SE $\frac{1}{4}$  NE $\frac{1}{4}$ ; NE $\frac{1}{4}$  SE $\frac{1}{4}$ ;

Township 18 North, Range 49 East, M.D.B.&M.

Section 5: NW $\frac{1}{4}$  SW $\frac{1}{4}$ ; SW $\frac{1}{4}$  SW $\frac{1}{4}$ ;  
Section 6: NE $\frac{1}{4}$  SE $\frac{1}{4}$ ; SE $\frac{1}{4}$  SE $\frac{1}{4}$ ;  
Section 8: NW $\frac{1}{4}$  NW $\frac{1}{4}$ ; S $\frac{1}{2}$  NW $\frac{1}{4}$ ; NE $\frac{1}{4}$  SW $\frac{1}{4}$ ;

Township 19 North, Range 49 East, M.D.B.&M.

Section 5: W $\frac{1}{2}$  E $\frac{1}{2}$ ; E $\frac{1}{2}$  W $\frac{1}{2}$ ; W $\frac{1}{2}$  SW $\frac{1}{4}$ ; SW $\frac{1}{4}$  NW $\frac{1}{4}$ ;  
Section 6: SE $\frac{1}{4}$ ; SE $\frac{1}{4}$  NE $\frac{1}{4}$ ;

EXCEPTING FROM all the subject property in Sections 5 and 6, TOWNSHIP 19 NORTH, RANGE 49 EAST, M.D.B.&M., all coal and other valuable minerals as reserved in Patent executed by THE UNITED STATES OF AMERICA, recorded July 6, 1950, in Book 24 of Deeds at Page 79, Eureka County, Nevada, records.

Section 18: NW $\frac{1}{4}$  NE $\frac{1}{4}$ ; NE $\frac{1}{4}$  SW $\frac{1}{4}$ ; SE $\frac{1}{4}$  NW $\frac{1}{4}$ ; SW $\frac{1}{4}$  SE $\frac{1}{4}$ ;  
Section 19: E $\frac{1}{2}$  SE $\frac{1}{4}$ ; NW $\frac{1}{4}$  SE $\frac{1}{4}$ ; NE $\frac{1}{4}$ ;

EXCEPTING FROM all of the subject property in Section 18 and the N½ NE¼, SW¼ NE¼ and NW¼ SE¼ of Section 19, all the oil and gas as reserved in Patent executed by THE UNITED STATES OF AMERICA, recorded October 5, 1966, in Book 12 of Official Records at Page 209, Eureka County, Nevada.

Section 20: W½ SW¼; SW¼ NW¼;

EXCEPTING FROM the SE¼ SE¼ of Section 19 and the SW¼ SW¼ of Section 20, TOWNSHIP 19 NORTH, RANGE 49 EAST, M.D.B.&M. all mineral deposits as reserved in Patent executed by THE UNITED STATES OF AMERICA, recorded January 2, 1969, in Book 26 of Official Records at Page 534, Eureka County, Nevada.

EXCEPTING FROM the SW¼ NW¼ and NW¼ SW¼ of Section 20, TOWNSHIP 19 NORTH, RANGE 49 EAST, M.D.B.&M., all uranium, thorium or any other material which is or may be determined to be peculiarly essential to the production of fissionable materials, whether or not of commercial value as reserved in Patent executed by the State of Nevada, recorded October 18, 1949, in Book 24 of Deeds at Page 4, Eureka County, Nevada, records.

Section 29: SW¼ NW¼; NW¼ SW¼; SW¼ SW¼,  
Section 30: E½ NE¼; NE¼ SE¼;

EXCEPTING FROM all of the subject property in Sections 29 and 30, TOWNSHIP 19 NORTH, RANGE 49 EAST, M.D.B.&M., all the oil and gas as reserved in Patent executed by THE UNITED STATES OF AMERICA, recorded February 21, 1969, in Book 28 of Official Records at Page 12, Eureka County, Nevada.

EXCEPTING FROM all of the subject property in TOWNSHIP 18 NORTH, RANGE 48 EAST, TOWNSHIP 18 NORTH, RANGE 49 EAST and TOWNSHIP 19 NORTH, RANGE 49 EAST, except all property in Section 18; SW¼ SW¼ of Section 20; all property in Sections 29 and 30 of TOWNSHIP 19 NORTH, RANGE 49 EAST, M.D.B.&M., an undivided one-half of all oil, petroleum, gas and minerals as reserved in Deed executed by CONLAN LAND & LIVESTOCK, INC., recorded November 7, 1962, in Book 26 of Deeds at Page 300, Eureka County, Nevada.

EXCEPTING FROM Parcels 1 and 2 all of VALIANT FARMS-EUREKA, INC.'s right, title, equity, and interest of any and all nature in and to the mineral rights and interest, including coal, oil, gas, and other hydrocarbons, and all other metallic and non-metallic minerals ores and substances, and geothermal steam, hot water, hot brines, thermal energy, and gasses lying in and under said land as conveyed to APAL, a Limited Partnership by Deed recorded January 22, 1981, in Book 90, Page 437, Official Records, Eureka County, Nevada, recorded January 21, 1981, and in Book

PARCEL 3 (EUREKA COUNTY):

Township 19 North, Range 49 East, M.D.B.&M.

Section 29: NW¼ NW¼;

EXCEPTING THEREFROM all mineral deposits lying in and under said land as reserved by THE UNITED STATES OF AMERICA, in Patent recorded June 12, 1980, in Book 81, Page 575, Official Records, Eureka County, Nevada.

TOGETHER WITH all improvements situate thereon.

TOGETHER WITH all water, water rights, rights to the use of water, dams, ditches, canals, pipelines, reservoirs, and all other means for the diversion or use of waters, appurtenant to said property or any part thereof, or used or enjoyed in connection therewith, and together with all stockwatering rights used or enjoyed in connection with the use of any of said lands, or used in conjunction with grazing upon lands administered by the Bureau of Land Management within the Willow Creek Allotment or lands administered by the United States Forest Service.

TOGETHER WITH all rights, privileges, preferences, licenses and permits to graze livestock upon the public lands administered by the Department of the Interior, Bureau of Land Management, Battle Mountain District, in the amount currently allowed as 3,621 AUM's of active use and any suspended non-use within the Willow Creek Allotment and all range improvements therein.

TOGETHER WITH all range improvements, cooperative agreement improvements, Section 4 permit improvements, allotment and stockwater sources and facilities on the grazing areas, and all water rights and waters of all types on private lands, including but not restricted to stockwater.

BOOK 318 PAGE 154  
OFFICIAL RECORDS  
RECORDED AT THE REQUEST OF  
Vaughn & Will  
98 APR - 2 PM 1:29  
EUREKA COUNTY NEVADA  
COUNTY CLERK  
FILE NO. 169974  
FEES \$11.00

169974

BOOK 818 PAGE 458