

176440

REAL PROPERTY LEASE

THIS AGREEMENT is made this 1st day of May 2001, by and between Roy and Mary Risi, 5285 Austin Highway, Fallon, Nevada 89406, hereinafter called "Lessor", and Sierra Pacific Communications, Inc., 1575 Delucchi Lane, Reno, Nevada 89502, a Nevada corporation, hereinafter called "Lessee".

In consideration of the mutual promises of the parties as hereinafter set forth, Lessor hereby leases to Lessee approximately 5.0 acres of real property, hereinafter called "Lease Property", located in NW/4 of Section 20, Township 20N, Range 52E located in Eureka County, Nevada, as more particularly described in the property description contained in Exhibit A attached hereto and made a part hereof.

The Term of this Lease shall be for a period of six (6) months commencing on the 1st day of May, 2001, and terminating at midnight on November 1st, 2001, hereinafter called the "Term". Rentals shall be at the rate of One Thousand and no/100 dollars, due on the first day of the Term.

Lessee may extend this Lease for five additional terms of six months each upon payment of additional rental at the rate of One Thousand and no/100 dollars. Extensions of the Lease shall occur automatically upon Lessee's payment of the required rental to Lessor prior to the end of the then-current Term, or additional term.

Lessee may, at its expense, install, operate and maintain utility services on the Lease Property including, but not limited to, electric, gas, water and telephone lines.

Lessee will use the Lease Property as a material storage and construction yard for construction of a fiber optics line and related activities. No change of use shall be made without the prior written consent of Lessor.

Lessor shall keep the Lease Property in good repair, including but not limited to, maintenance and repair of existing utilities, roads and fences. On termination of this Lease, Lessee shall yield the Lease Property to Lessor in good condition and repair, reasonable wear and tear and loss by fire or other unavoidable casualty excepted.

Lessee shall not make any permanent alterations, additions or improvements to the Lease Property without the prior written consent of Lessor. Lessee may make temporary alterations to the Lease Property as may be necessary or desirable for the use described herein. Lessee shall keep the Lease Property free from any liens or encumbrances caused by any act of the Lessee.

Lessor may enter the Lease Property at reasonable times to inspect or to make repairs or alterations to the Lease Property that do not negatively affect the use of the property by Lessee.

Lessee shall not sell, assign or transfer this Lease, in whole or in part, without the prior written consent of Lessor. Lessor shall not unreasonably withhold such consent.

Lessee shall hold Lessor free from all liability, penalties, losses, damages, costs, expenses, causes of action, claims or judgments resulting from injury or damage to any person (including Lessee's contractors, agents and employees) or property of any kind, arising out of Lessee's use of the Lease Property.

Throughout the term of this Lease, Lessor shall pay all state, municipal and local taxes, assessments, levies and other charges levied, assessed, imposed or charged upon the land of the Lease Property or buildings and improvements now existing or later to be built or made thereon.

Notices to the respective parties shall be sufficient if in writing and sent by certified mail to the addresses stated above, or to such other addresses as either party may provide in writing.

The parties agree that this Lease may be recorded in the office of the County Recorder of Churchill County, Nevada.

Lessor: Roy Risi
Roy Risi

Mary E. Risi
Mary Risi

Lessee: Sierra Pacific Power Company

By Daniel Rana

ATTEST:

ACKNOWLEDGEMENTS

EXHIBIT A

LEGAL DESCRIPTION OF REAL PROPERTY

Property situated in Eureka County, State of Nevada, commonly legally described as follows.

A five (5) acre tract, located NW/4 Section 20, Township 20 North, Range 52 East, conveyed to Grantors by Grant Deed located in Book 225, Page 365, and recorded in the records of Eureka County, NV.

SPECIAL PROVISIONS: None

Federal Tax I.D. Number of Grantor: 2322

BOOK 341 PAGE 125
OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
Sierra Pacific Power
01 MAY -2 AMT: 32
EUREKA COUNTY NEVADA
M.N. REBALEATI, RECORDER
FILE NO. FEES 9.00

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