

THE STATE OF NEVADA

COUNTY OF EUREKA

NEVADA FARM LEASE

This lease entered into this 23rd day of March, 1964, between Denver Kelly, hereinafter called Landlord, and KLM Farms, Inc., hereinafter called Tenant, witnesseth:

Landlord, for and in consideration of the rents hereinafter provided for, hereby leases, lets and demises to Tenant, for the term hereinafter set forth, the following described lands in Eureka County, Nevada, to-wit:

Northwest $\frac{1}{4}$, Sec. 11, T 21 N, R 53 E, Mt. Diablo Meridian

The term of this lease shall be from the date of this contract to December 31, 1968; subject to provisions for earlier cancellation hereinafter set forth.

As rent for the use of said premises, Tenant agrees to pay to Landlord an annual cash rent of \$10.00 per acre, for each year from 1964 through 1968, inclusive. The rent shall be payable in the following way and manner:

(a) For the first year, \$1.00 per acre shall be paid in cash upon the execution of this contract, and the balance of \$9.00 per acre shall be paid in cash on or before December 31, 1964.

(b) For each subsequent year after 1964, \$1.00 per acre shall be paid on or before January 15 of the year in question, and the balance of \$9.00 shall be paid on or before December 31, of said year.

(c) The Tenant hereby gives and grants to Landlord a specific landlord's lien on all crops grown and produced on said land, for each specific year, to secure the unpaid portion of the rent. This landlord's lien shall be a first lien and prior in right and time to any other lien on said crop which the Tenant may hereafter give or grant to third parties.

The Landlord agrees to furnish one irrigation well, complete with pump and gear head, for each 160 acres of the lands hereinabove described, excepting only that if the tract is less than 160 acres, one well shall be furnished. Each such well shall be capable of producing not less than 1,000 gallons of water per minute, as of the date of beginning of this contract. The Tenant shall be responsible for furnishing motors to power said irrigation wells.

The Landlord shall not be responsible for crops, or for any damages arising out of the failure of said wells to continue producing such quantity of water, or for complete failure of said wells. However, Landlord agrees to pay all of the costs of upkeep on the irrigation well itself, but the Tenant shall be responsible for upkeep and repairs on the pump and gear head, as well as his motor. In the event the Landlord is required to make any repairs to the well and is not available, or fails or refuses to make such repairs within a reasonable time, the Tenant can cause such repairs to be made, at the reasonable expense of the Landlord. This is the Tenant's sole remedy in case of failure of the well to produce water, or for failure of the Landlord to make repairs as requested.

The Tenant accepts the land in the condition that the same is now in, and understands that any preparation or land conditioning must be done at Tenant's expense.

Tenant agrees that it will cause a crop to be planted on all of said land above described on or before June 1, 1964; and it further agrees that it will cause water to be applied from said irrigation well, to each and every acre of said land above described on or before June 15, 1964. In the event the Tenant fails or refuses to perform both of these obligations on or before the date specified, then at the option of the Landlord, said contract may be in all things cancelled and rescinded by the Landlord. In the event of cancellation by the Landlord for failure of the Tenant to plant the crop or apply the water, as herein specified, the Landlord shall nevertheless be entitled to retain the down payment on rent above specified.

The Tenant agrees to accept full responsibility and liability for all damages to third parties, if any, arising out of farming operations, and will carry its own insurance or workmen's compensation, or otherwise, and agrees to indemnify the Landlord against any such losses. Landlord shall not be responsible for the payment of any part of the operating expenses for farming operations on said land during the term of this lease. Tenant shall not be responsible for any payments to Government agencies or otherwise that are the responsibility of Landlord.

Tenant agrees to farm the land in a good and farmerlike way and manner, and in accordance with accepted practices in the area, and to abide all rules and regulations of the Government, or any Governmental agency, either Federal, State or local. As to any of said land where final patent or title has not been secured from the United States, Tenant agrees to cooperate with the Landlord in performing any and all necessary operations to secure such patent or title, and in securing permanent water right from the State of Nevada. In the performance of the obligations of the Tenant with reference to patents, titles, and water rights, the operations of a farming nature only are to be deemed the responsibility of the Tenant, and Tenant shall have no responsibility with reference to legal matters, the filing of reports, or otherwise.

Tenant agrees that upon the expiration of the term of this lease, or at the expiration of the lease by cancellation or rescission under the terms above set forth, it will yield up possession of the premises to the Landlord without further notice or demand, and in the same condition as the same is now in, subject only to fair wear and tear and ordinary usage.

Tenant agrees to suffer no waste on said premises, and agrees that the lease will not be assigned, and that he will not sublet the premises, without permission in writing from the landlord.

On the last year of the term, Landlord shall have the right to enter upon the premises when the crops have been harvested for the purpose of plowing the ground, or preparing the land for the following year, in the usual and customary way and manner.

At all times during the term of this lease, the Landlord or his representatives shall have permission to enter upon the premises for the purpose of viewing the same, or of making repairs.

Failure of the Tenant to pay any installment of rent on or before the due date specified herein, as to any year of this lease, shall automatically terminate the lease as of the rent paying date when the same has not been paid, if the Landlord shall so elect and shall so notify the Tenant. Upon such termination, the Tenant agrees to give immediate possession of the premises to the Landlord. Notification may be given to the Tenant at Post Office Box 297, Eureka, Nevada, by registered or certified mail, or in person. Upon the termination of this lease, either at the end of the term or at such earlier time as the same may be terminated, and if all rents and obligations of the Tenant to the Landlord have been paid, the Tenant shall have the right to remove all of its personal property from the premises, including irrigation motors and all other property.

Denver Kelly
by Bruce DuRose
 LANDLORD

KLM FARMS, INC.

BY KLM Farms, Inc.
 TENANT

THE STATE OF TEXAS
 COUNTY OF DEAF SMITH

On this _____ day of March, A. D. 1964, personally appeared before me, _____, a Notary Public in and for Deaf Smith County, _____, known to me to be the person described in and who executed the foregoing instrument, who acknowledged to me that he (she) executed the same freely and voluntarily and for the uses and purposes therein mentioned. In witness whereof, I have hereunto set my hand and affixed my official seal at my office in the County of Deaf Smith the day and year in this certificate first above written.

Notary Public in and for
 Deaf Smith County, Texas

THE STATE OF TEXAS
 COUNTY OF DEAF SMITH

On this 23 day of March, A. D., 1964, personally appeared before me, a Notary Public in and for Deaf Smith County, Bruce DuRose, known to me to be the person whose name is subscribed to the within instrument as the attorney in fact of Denver Kelly and acknowledged to me that he subscribed the name of said Denver Kelly thereto, as principal, and his own name as attorney in fact, freely and voluntarily and for the uses and purposes therein mentioned. In witness whereof, I have hereunto set my hand and affixed my official seal at my office in the County of Deaf Smith the day and year in this certificate first above written.

Ernest L. Langley
 (Ernest L. Langley)
 Notary Public in and for
 Deaf Smith County, Texas

SEAL
 Affixed

THE STATE OF TEXAS
COUNTY OF DEAF SMITH

On this 23rd day of March, A. D. 1964, personally appeared before me, Earnest L. Langley, a Notary Public in and for Deaf Smith County, VERNON MANZ, known to me to be the president, vice-president, secretary or other duly authorized person executing the same on behalf of the corporation that executed the foregoing instrument, and upon oath, did depose that he is the officer of said corporation as above designated; that he is acquainted with the seal of said corporation and that the seal affixed to said instrument is the corporate seal of said corporation; that the signatures to said instrument were made by officers of said corporation as indicated after said signatures; and that the said corporation executed the said instrument freely and voluntarily and for uses and purposes therein mentioned. In witness whereof, I have hereunto set my hand and affixed my official seal at my office in the County of Deaf Smith, the day and year in this certificate first above written.



Earnest L. Langley
Notary Public in and for
Deaf Smith County, Texas

Earnest L. Langley

FILE NO. 39714
Filed for record at the request of Vernon Manz
March 31, 1964, or 48 minutes past 9 A.M. Recorded in
Book 3 of Official Records, page 510-514, Records of EUREKA
COUNTY, NEVADA.
Fee: \$ 5.45

Shirley A. McLaughlin, Recorder.