

**140875**

**LEASE OF REAL PROPERTY**

This Lease, made this 11th day of May, 1992 by and between Sandra Green and Daniel Green, Lessor, and James Gallagher and Susan Gallagher, Lessee, is as follows:

**REAL PROPERTY**

1. That Lessee (Gallaghers), shall lease the (Green) real property located in Diamond Valley consisting of 240 acres of land commonly described as S 1/2 of NE 1/4 and SE 1/4 of NW 1/4 of Section 4, T21N, R54E, MDB&M, Lots 1, 2 and 3, Eureka County, Nevada for a period of two (2) years beginning May 1, 1992 and ending April 30, 1994.

2. The lease shall include the 240 acres M/L described above, the well pump, motor and panel, well, all existing fencing, pivot, 4 wheel lines, and underground pipelines presently in place on the date of signing this lease agreement. Together with the tenements, hereditaments and appurtenances thereunto belonging to and in anywise appertaining and the reversion and reversions, remainder and remainders rents, issues and profits thereof. Together with all water, water rights, stock watering rights, water permits, wells, and other privileges connected with, belonging to, appurtenant or incidental to or used in connection with all or any part of the above described premises, as well as all dams, ditches and the use thereof, including but not limited thereto: Pertaining to the S 1/2 of NE 1/4 and SE 1/4 of NW 1/4 of Section 4, T21N, R54E, MDB&M, Lots 1, 2 and 3: Nevada State Division of Water Resources permits numbers 13200 and 13201.

**LEASE TERMS**

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1. The lease payments shall be \$2400.00 per year due and payable on April 30, 1993 and April 30, 1994, respectively. Lease payments to be made jointly to Lessors and FmHA.

2. The Gallaghers agree to pay the 1992-1993 and 1993-1994 property taxes based on the assessed valuation date of December 20, 1992. Such payments to be deducted from the lease payment outlined in paragraph 1 above. Proof of payment of said property taxes will accompany the lease payment.

3. Lease payments are to be applied to the purchase price of the property described above if, during the course of this Lease, Lessee enters into a purchase agreement with lessor.

#### SUBORDINATION

1. The Lease shall be subordinate and subject at all times to any mortgage or deed of trust covering the real property of which at any time herein after shall be made, or all advances made, or hereinafter to be made, upon security hereof.

#### PERMITTED USES

1. The real property described herein, is to be used solely for the purpose of farming and for no other purpose without prior consent of the Lessors.

#### PROHIBITED USES

1. Lessees shall not permit anything to be done on or about the property, nor bring, nor keep anything thereon which will in any way adversely affect the land or improvements thereon, or which shall conflict with any law, ordinance, rule, or regulation affecting occupancy and use, which are or may hereafter be enacted

or promulgated by any public authority or in any way obstruct or interfere with the rights of others in adjacent lands, nor allow the property to be used for any impropriety, immoral, unlawful, or objectionable purpose.

#### ASSIGNMENT

1. Lessees shall not assign, mortgage, or hypothecate this Lease agreement except as provided for herein, or any interest therein, or permit the use of the property or any part thereof, without prior written consent of the Lessors. Any such assignment shall be void and shall, at the Option of Lessors terminate the Lease.

#### SURRENDER OF PROPERTY

1. Lessees agree to surrender the property at the termination of the tenancy herein created in the same condition as received, less reasonable use, wear and tear and damage by acts of God.

#### ABANDONMENT OF PROPERTY

1. Lessees shall not vacate or abandon the property at any time during the term of the Lease, and if Lessees shall abandon or vacate the property, or it be disposed of by process of law, or otherwise any personal property belonging to the Lessees left on the property shall be deemed abandoned, at the Option of the Lessors.

#### UTILITIES

1. Lessees shall pay when due, and prior to delinquency, all charges levied or assessed for water, gas, heat, power, electricity, telephone, garbage removal, or any other utility

services supplied or provided to said leasehold property or to Lessee during the term of the Lease.

#### IMPROVEMENTS AND REPAIRS

1. Lessees have examined and inspected and knows the condition of the property and every part thereof and has received the same in good condition and repair and accepts the same in their present condition. Lessees shall take good care of the property and they shall not make alterations, repairs or changes except in the usual course of operating the farm, and if not, must obtain the prior approval of the Lessors. Unless otherwise provided, all alterations, improvements, and changes that may be required on the property shall be done in a workmanlike manner at the sole expense of the Lessees. Lessees shall, at their expense, when surrendering the property to the Lessors, be allowed to remove the improvements made by them during the term of the Lease, 30 days prior to termination thereof, with all repairs, damages, and injury caused thereby to be paid by the Lessees to the Lessors.

2. Lessors have examined and inspected and knows the condition of the property and guarantees the working condition of the property and agrees to reduce the lease payment by any amounts required to put the property in working order if such repairs should prove to be necessary.

#### ENTIRE AGREEMENT

1. The foregoing agreement constitutes the entire agreement between the parties and may be modified only by written consent of all of the parties to this agreement.

DATED:

May 18, 1992

Sandra Green

Sandra Green, Lessor

Daniel Green

Daniel Green, Lessor

James Gallagher

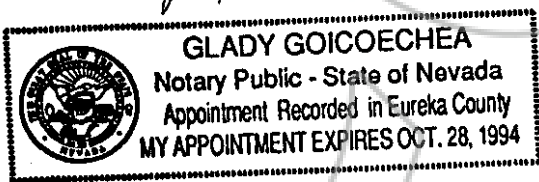
James Gallagher, Lessee

Susan Gallagher

Susan Gallagher, Lessee

Subscribed & Sworn to me this 18<sup>th</sup> day  
of May, 1992.

Glady Goicoechea



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OFFICIAL RECORDS  
RECORDED AT THE REQUEST OF  
James Gallagher  
92 MAY 20 P1:35

EUREKA COUNTY, NEVADA  
M.N. REBALEATI, RECORDER  
FILE NO. 140875  
FEE \$900