

HANSEN'S  
07-14019

175653

19-11-11, 2000

LEASE WITH OPTION EXERCISE "FIRST RIGHT OF REFUSAL" TO PURCHASE FARM.

Lease begins: March 28, 20

Lease ends: March 28, 20

This is a three-year lease agreement between Michael J. Weiser and Terrie L. Weiser with Martin and Nora Hanson. And Cl and Amy Jensen. In the event of both Weiser's death and incapacitation, the agreement will extend to Min J. Weiser (2531 James Howe, Dallas, Oregon, 97338).

If the Weiser's die to sell the farm during or after the three-year period, the Hanson's will have the first opportunity to purchase at the sell price.

The farm is situated at the following legal description:

E. 1/2 of section township 22 North, Range 54 east.  
Also, in the same section; the SE 1/4 of the NW 1/4 and the  
E 1/2 of the SW

RESPONSIBILITIES FOR MARTIN AND NORA HANSON

1. Gearboxes and driveline on pivots farmed.  
Replace only as needed.  
Weiser will supply driveline material on hand.
2. Center drives on pivots farmed.  
Replace as needed using the same gear ratios and HP ratings.
3. Fill wheel tracks on pivots farmed.
4. Replace tower coils, micro-switches and fuses as needed, using proper equipment.
5. Replace and repair sprinklers as needed. The Weisers will supply materials on hand.
6. Perform complete standard maintenance. This includes gear oils, grease at center, air tire, and Tightening lugs.
7. Control gophers/weevils in all fields. (330 acres)
8. Take standard crop off fields. (E.g. 2 alfalfa, 1 grass)
9. Supply and the application of fertilizer, herbicides and pesticides for the crops farmed.
10. Pay for irrigation water costs and place Mt. Wheeler accounts in the Hanson's name.

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11. Repair discharge 50 HP pump.
12. Insurance:
  - Secure farm insurance on pivots and crop insurance if desired.
  - Secure insurance on pump motors, shafts and bowls. (Weiser's are responsible for wells.)
  - Supply Weiser's with a copy of the policy.
13. The Hanson's agree to furnish a pivot for the southeast 160 acres of the above named property. This pivot shall remain the Hanson's personal property throughout the duration of this land lease with the Weiser's. Weiser's can, during or 120 days prior to the end of the land lease, (March 2003) Refinance pivot lease and carry the lease on their own. If the Weiser's choose to refinance this pivot must be refinanced for the principle and the interest remaining on the note. If refinancing of pivot lease is not completed by the Weiser's by Nov 30, 2002, then the Hanson's will remove their pivot from the above named property and dispose of it.
14. The Hanson's will pay the down and two payments on their pivot lease (approx. \$14570.00)
15. Redo piping at pivot point.
16. Install new wiring and power supply panel to 75HP pump and to the new Zimmatic Pivot.
17. Remove the old pt. which is currently on the southeast 160 acres of the above named property, To the corner. The Hanson's leased pivot will then be placed on this section of property.
18. The Hanson's have right to make all day to day management decisions concerning the above Named property. This is to include the type of crops, fertilizer, herbicides and pesticides used. The Hanson's also have the right to spray out the the existing crops on the small pivots if they feel it is needed for arson.

#### RESPONSIBILITIES FOR MICHAEL AND TERRIE WEISER

1. Provide pivot tire wheels as needed.
2. Make all mortgage payments on this farm. (See legal description of property on page 1 of contract.)
3. Provide material repair discharge on the 50 HP well pump.
4. Regarding insurance on pivots, pump motor, shafts. And bowls:
  - Pay deductibles up to \$1000.00 in each case of an insurance claim.
5. Pay all property taxes.
6. Statement on the Weiser's house, which is located at the above named legal description.
  - The Weiser's are responsible of informing any renters of the Weiser's house, which is located on the above named property, that they may not, at any time, interfere, borrow, Or trespass on any part of the above named leased property except the Weiser's house itself. This is to include the following: crops, haystacks, equipment, pivots, pumps, wells, Panel box, gasoline and diesel tanks, etc. The Hanson's shall be able to use all roads on property for access to the fields. Weiser's are responsible to provide protection to the Hanson's from the renters should a situation arise.

7. Responsible for all this. Hanson's not responsible for well replacement or repair.

8. Weiser will pay cost of Pringle Pivot removal. [\$400.00 to \$700.00]

#### NOTES PERTAINING TO THE LEASE AGREEMENT

1. The Weiser's contract with the seller (Lucille Tallcott) provides seller no ability to place lien on crops or anything but the restate and original irrigation equipment in the event that Weiser's do not make mortgage payments. This will include no ability to place a lien on any crops grown by the Hanson's and the new zimmatic pivot be replaced on the southeast 160 acres of the property by the Hanson's.

2. If, for some reason Weiser's were unable to make a mortgage payment, the obvious result would be for Weiser to make the farm available for sale; at which point the Hanson's will have the first option to purchase this property.

3. If the old Pringle or falls before installation of new Pivot, Jack Moyle's crew will just remove it where it lies and Hanson/Jen has no liability for damage to Pringle Pivot.

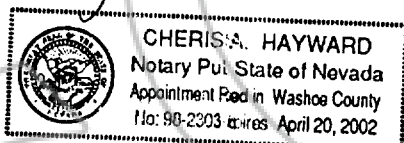
Chris Jensen      DATE  
3-29-00  
Amy Jensen      3-29-00

Mark H. Hansen      DATE  
3-29-00  
Nora Hansen      3-29-00  
Michael J. Weiser      3-29-00  
James L. Weiser      3-29-00

Amy Jensen  
State of Nevada  
County of Clark

Mark H. Hansen  
Nora E. Hansen

This instrument was acknowledged before me  
on March 11, 2000 by Mark Hansen, Nora Hansen,  
Amy Jensen, Chris Jensen.



Cherrisa A. Hayward



WARD

LEASE AGREEMENT

NUMBER: 1028845-011

LESSOR: EFC Inc. d/b/a First National Leasing, 1500 Dodge Street, Suite 300, Omaha, Nebraska, 68102-1596 ("LESSOR"). LESSOR has been authorized, by certain states, to do business under an assumed name. Lessor's assumed names are: NEFCO Inc., Nebraska EFC Inc., and EFC Inc. of Nebraska. 402-633-3171.

LESSEE: The undersigned, whether one or more, ("SEE") at the address set forth in the signature section below.

EQUIPMENT:

Supplier: JACK MOYLE D/B/A J MOYLE IRRIGATION, 129 SOUTH 100 WEST, ENTERPRISE, UT 84125  
Description: 1-1319' 7-TOWER LIAT ZIMMATIC CENTER-PIVOT IRRIGATION SYSTEM, S/N 1 70.730

Location: R 1/2 SECTION 30, TSHIP 23 NORTH, RANGE 54 EAST, PARCEL #007 070 19, BURKEA COUNTY, NEVADA,

Price: \$ 35,400.00  
Sales Tax: \$ 2,301.00  
Total Cost: \$ 37,701.00

COMMITMENT DATE/FEE: 03-23-2000 \$2,639.07

An amount equal to the commitment feest accompany this offer. Upon acceptance of this offer, this amount shall not be refunded but shall be applied to the first period's rent.

LEASE TERM (IN MONTHS): 64

LEASE COMMENCEMENT DATE: 5/23

RENT PAYMENTS:

Number 7 Frequency ANNUALLY  
First rent payment due date: 5/23 Amount \$ 2,639.07 INCLUDING TAX, IF ANY  
Rent payments number 2 to 5/23 Amount \$ 6,501.92 Each. (Plus Tax)

\*The rent payment amount directly above may be subjected to a sales, use, rental or LESSOR'S gross receipts tax ("TAX"). In that event, LESSEE shall pay to LESSOR an additional amount equal to TAX with the rent payment amount. LESSOR shall send LESSEE a notice stating the TAX amount due.

SECURITY DEPOSIT AMOUNT: \$ .00 Rate --- % percent per annum

PURCHASE OPTION PRICE: \$3,770.10 Plus Tax, If Any

TERMS AND CONDITIONS OF LEASE

1. AGREEMENT TO LEASE. LESSOR hereby agrees to lease to LESSEE and LESSEE hereby agrees to lease from LESSOR, subject to the terms of this Lease Agreement (the "LEASE"), the personal property (together with all attachments, replacements, parts, substitutions, additions, repairs, accessories, incorporated therein and/or affixed, thereto) (the "EQUIPMENT") described above. The EQUIPMENT is and shall at all times be and remain the sole and exclusive personal property of LESSOR, and notwithstanding any trade-in or down payment by LESSEE or on its behalf with respect to the EQUIPMENT, LESSEE shall have no right, title or interest therein or thereto except as to the use thereof subject to the terms or conditions of this LEASE. The parties agree that this LEASE is a "Finance Lease" as defined by the Nebraska Uniform Commercial Code-Leases ("UCC"). LESSEE acknowledges either: (a) that LESSEE has reviewed and approved any written Subcontract (as defined by UCC) covering the EQUIPMENT purchased from the "Supplier" (as defined by UCC) thereof for lease to LESSEE; or (b) that LESSOR has informed or advised LESSEE, in writing, either previously or by EASE of the following: (i) the identity of the Supplier; (ii) that the LESSEE may have rights under the Supply Contract; and (iii) that the LESSEE may contact the Supplier for a description of any such rights LESSEE may have under the Supply Contract. ENTIRE AGREEMENT. This LEASE constitutes the entire understanding or agreement between LESSOR and LESSEE and there is no understanding or agreement, oral or written, which is not set forth in. This LEASE may not be amended except by a writing signed by LESSOR and LESSEE and shall be binding upon and inure to the benefit of the parties hereto, their successors and assigns.

2. NO WARRANTIES; LESSEE'S OBLIGATIONS. LESSEE acknowledges that: LESSOR is not the manufacturer of the EQUIPMENT nor the manufacturer's agent nor a dealer therein; the EQUIPMENT is of a size, design, capacity, description and manufacture selected by the LESSEE; LE is satisfied that the EQUIPMENT is suitable and fit for its purpose; and LESSOR HAS NOT MADE AND DOES NOT MAKE ANY WARRANTY OR REPRESENTATION WHATSOEVER, EITHER EXPRESS OR IMPLIED, AS TO THE FITNESS, CONDITION, MERCHANTABILITY, DESIGN OR OPERATION OF THE EQUIPMENT, ITS FITNESS FOR ANY PARTICULAR PURPOSE, THE QUALITY OR CAPACITY OF MATERIALS IN THE EQUIPMENT OR WORKMANSHIP IN THE EQUIPMENT. LESSOR'S TITLE TO THE EQUIPMENT, NOR ANY OTHER REPRESENTATION OR WARRANTY WHATSOEVER; LESSOR is not liable to LESSEE for any loss, damage, or expense of any kind or nature caused, directly or indirectly, by any EQUIPMENT leased hereunder or the use or maintenance thereof or the failure or operation thereof, or the service or adjustment thereof, or by any delay or failure to provide any such maintenance, repairs, service or adjustment, or by an interruption of service or loss of use thereof or for any loss of business howsoever caused. LESSEE shall not be liable for any consequential damages however such term is used or defined. No defect or unfitness of the EQUIPMENT shall relieve LESSEE of loss of use thereof or for any loss of business howsoever caused. LESSEE shall not be liable for any consequential damages however such term is used or defined. No defect or unfitness of the EQUIPMENT shall relieve LESSEE of the obligation to pay any installment of rent or any other obligation under this LEASE. LESSOR shall have no obligation under this LEASE in respect of the EQUIPMENT and shall have no obligation to install, erect, test, adjust or service the EQUIPMENT. LESSOR agrees, so long as there shall not occur or be continuing any EVENT OF DEFAULT as defined in this LEASE or event which with lapse of time or notice, or both, might become an EVENT OF DEFAULT hereunder, that LESSOR will permit LESSEE to enter LESSEE'S own name and at LESSEE'S sole expense any supplier's or manufacturer's warranty or agreement in respect of the EQUIPMENT to the extent that such warranty or agreement is assignable. LESSEE acknowledges LESSEE has reviewed and approved the Supply Contract and Purchase Order covering the EQUIPMENT purchased from the vendor or supplier thereof for lease to LESSEE.

3. NO AGENCY. LESSEE acknowledges and agrees that neither manufacturer, the supplier, nor any salesman, representative or other agent of the manufacturer or supplier, is an agent of LESSOR. No salesman, representative or agent of the manufacturer or supplier is authorized to waive or alter any term or condition of this LEASE and no representation as to the EQUIPMENT or any other matter by the manufacturer or supplier shall in any way affect LESSEE'S duty to pay rent and perform its other obligations as set forth in this LEASE.

4. NON-CANCELLABLE LEASE; OBLIGATIONS UNCONDITIONAL. This LEASE cannot be cancelled or terminated except as expressly provided herein. LESSEE hereby agrees that LESSEE'S obligation to pay all rent and perform all other obligations hereunder shall be absolute, irrevocable, unconditional and independent and shall be paid and performed without abatement, deduction or offset of any kind or nature whatsoever.

5. NO ASSIGNMENT OR SUBLEASE BY LESSEE. LESSEE SHALL NOT ASSIGN OR IN ANY WAY DISPOSE OF ALL OR ANY PART OF ITS RIGHTS OR OBLIGATIONS UNDER THIS LEASE OR ENTER INTO ANY SUBLEASE OF ALL OR ANY PART OF THE EQUIPMENT WITHOUT THE PRIOR WRITTEN CONSENT OF LESSOR.

SEE REVERSE SIDE FOR ADDITIONAL TERMS AND CONDITIONS WHICH ARE PART OF THIS LEASE

LESSEE REPRESENTS AND WARRANTS THAT ALL THE ABOVE AND FINANCIAL INFORMATION SUBMITTED TO LESSOR HERewith OR AT ANY OTHER TIME IS TRUE AND CORRECT.

The undersigned LESSEE hereby requests LESSOR to purchase EQUIPMENT from the Supplier and to lease the EQUIPMENT to LESSEE on the terms and conditions set forth above and on the reverse side hereof. This LEASE is conditional upon acceptance by LESSOR at its Omaha, Nka offices.

LESSEE: INDIVIDUAL(S)	MARTIN H HANSON HC 62, BOX 166, BURKEA 69316		X <i>Martin H. Hanson</i>	DATE 5-9-00
			X	DATE
			X	DATE
			X	DATE
PARTNERSHIP	BY:		PARTNER DATE	
	BY:		PARTNER DATE	
CORPORATION	BY:		DATE	
	SEAL		Title	

ACCEPTED AT OMAHA, NEBRASKA BY: *Thomas J. ...* BOOK 339 PAGE 125



**6. ORDERING EQUIPMENT.** LESSOR agrees to order EQUIPMENT from Supplier upon the terms and conditions of the Supply Contract and Purchase Order. LESSEE agrees to arrange for delivery of EQUIPMENT so that it can be accepted in accordance with paragraph 7 hereof within 5 days after the date on which LESSOR accepts LESSEE's offer to enter into the LEASE (which date LESSOR is authorized to fill in above as "Commitment Date"). LESSEE hereby authorizes LESSOR to insert in this LEASE financing statement or any other required document, the serial numbers, and other identification data, of EQUIPMENT when determined by LESSOR.

**7. LESSEE'S STATEMENT.** If, within five business days after try of the EQUIPMENT, LESSEE has not given LESSOR written notice of a defect therein or proper objection thereto, LESSEE shall be deemed to have (a) acknowledged receipt of said item in good condition and repair or accepted it as satisfactory in all respects for the purposes of this lease. If LESSOR so requests, LESSEE shall furnish LESSOR a written statement, in a form acceptable to LESSOR, (i) setting forth the matters stated in (a) (i) and (ii) requesting LESSOR to pay the Supplier the purchase price thereof.

**8. TERMINATION BY LESSOR.** If, within 90 days after the Payment Date, the EQUIPMENT has not been delivered to LESSEE and accepted by LESSEE as provided in Paragraph 7 hereof, LESSOR shall have the exclusive option to terminate this LEASE and its obligations hereunder at any time after the expiration of such 90 days. LESSOR shall give LESSEE written notice whether or not it elects to exercise such option within 10 days after LESSOR's receipt of LESSEE's written request for such notice.

**9. TERM.** The lease term shall be a period equal to the number of months shown under "Lease Term" above, from and after the "Lease Commencement Date" shown above. LESSEE hereby authorizes LESSOR to insert in this LEASE as said Lease Commencement Date the date upon which EQUIPMENT is delivered to LESSEE or any later date selected by LESSOR.

**10. RENT.** LESSEE agrees to pay the "Rent" payments shown during the term of the LEASE. The first Rent payment shall be due, in advance, on the "Lease Commencement Date". Because the Lease Commencement Date is intended to correspond with the date of the delivery of the EQUIPMENT and completion of the documentation required in conjunction with the LEASE, LESSEE hereby authorizes LESSOR to insert in this LEASE the same date as the Lease Commencement Date as first Rent payment date. Subsequent Rent payments shall be due annually on the fifteenth day of the calendar month on each annual anniversary of the first Rent payment due date shown above until all obligations due from LESSEE to LESSOR have been paid. Rent shall be due whether or not LESSEE has received any notice that such payments are due. All Rent shall be payable to LESSOR at its address set forth above or as otherwise directed by LESSOR in writing.

**11. BUSINESS USE.** The EQUIPMENT leased will be used for business purposes, and not for personal, family or household purposes.

**12. LOCATION; INSPECTION; LABELS.** The EQUIPMENT is delivered to and shall not be removed from the "Equipment Location" shown above, or if none is specified LESSEE's address shown above, without LESSOR's prior written consent. LESSOR shall have the right to inspect the EQUIPMENT at any reasonable time. If LESSOR supplies LESSEE with labels stating that the EQUIPMENT is owned by LESSOR, LESSEE shall affix such labels to and keep them in a prominent place on the EQUIPMENT.

**13. REPAIRS; USE; ALTERATIONS.** LESSEE, at its own cost and expense, shall keep the EQUIPMENT in good repair, condition and working order; shall use the EQUIPMENT lawfully; and shall not alter the EQUIPMENT without LESSOR's prior written consent.

**14. SURRENDER.** Upon the expiration of the term of this LEASE or upon demand by LESSOR made under the LEASE, LESSEE, at its expense, shall return EQUIPMENT by delivering it in the same condition as when delivered to LESSEE, reasonable wear and tear excepted, to such person or board such carrier, packed for shipping, as LESSOR may specify.

**15. LOSS OR DAMAGE.** LESSEE shall bear the entire risk of theft, destruction or damage of EQUIPMENT or any item thereof (herein "Loss or Damage") from any cause whatsoever. No Loss or Damage shall relieve LESSEE of the obligation to pay rent or any other obligation under this LEASE. In the event of Loss or Damage, LESSEE, at the option of LESSOR, shall: (a) place the same in good condition and repair, or (b) replace the same with like equipment in good condition and repair with clear title in LESSOR; or (c) pay to LESSOR the total of the following amounts: (i) the total rent due and owing at the time of such payment, plus (ii) the present value [determined by discounting at a rate equal to the then existing discount rate of the Federal Reserve Bank of Kansas City, Missouri plus one percent (1%)] of all rent and other amounts payable by LESSEE with respect to said item from date of such payment to date of expiration of the term of this LEASE, together with the "Purchase Option Price" amount shown above. Upon LESSOR's receipt of such payment, LESSEE and/or LESSEE's insurer shall be entitled to LESSOR's interest in said item, for salvage purposes, in its then condition and location, as is, without warranty express or implied.

**16. INSURANCE.** LESSEE shall provide, maintain and pay for insurance against the loss or theft of or damage to the EQUIPMENT, for the full replacement value thereof with loss payable to LESSOR and a maximum deductible of \$250, and (b) public liability and property damage insurance with minimum liability limits of either (i) \$100,000 per person and \$500,000 per occurrence for bodily injury, including death, and \$100,000 per occurrence for property damage, or (ii) \$500,000 combined single limit per occurrence. Said liability insurance shall name LESSOR as an additional named insured but only with respect to the EQUIPMENT. All insurance shall be in the form and amount and with companies satisfactory to LESSOR and shall be the insurer's agreement to give 30 days written notice to LESSOR before cancellation, non-renewal or material change of any policy of insurance. Upon LESSOR's request, LESSEE shall deliver the policies or copies thereof or certificates of insurance to LESSOR. In no event shall LESSOR be under any duty to ascertain the existence of or examine such insurance or advise LESSEE in the event such insurance shall not comply with the requirements herein.

**17. TAXES; LIENS.** LESSEE shall pay all charges and local, state and federal taxes (including without limitation, ad valorem or property taxes and sales, use, rental or lessor's gross receipts taxes) which may now or hereafter be imposed or levied upon the sale, purchase, ownership, leasing, possession or use of the EQUIPMENT, excluding however, all taxes on or measured by LESSOR's net income. LESSEE shall keep the EQUIPMENT free and clear of all levies, liens, and encumbrances. LESSEE agrees to file with LESSOR all required tax returns and reports concerning the EQUIPMENT with all appropriate governmental agencies, and to furnish a copy of each such return or report, including evidence of payment, within 30 days after the due date of such filing or the payment due date, as the case may be. Provided, however, that in the event LESSEE is not permitted to file such returns and reports on behalf of LESSOR, then LESSEE agrees to prepare and forward all such returns and reports to LESSOR in a timely manner with appropriate instructions to LESSOR as to their filing.

**18. LESSOR'S PAYMENT.** If LESSEE fails to provide or maintain insurance, to pay said charges and taxes, or to discharge said levies, liens and encumbrances, LESSOR shall have the right, but shall not be obligated, to obtain such insurance, pay such charges and taxes, or effect such discharge. In that event, LESSEE shall repay to LESSOR upon demand the cost thereof together with interest at sixteen percent (16%) per annum, or such lesser amount as the law requires.

**19. GENERAL INDEMNITY.** LESSEE shall indemnify and hold LESSOR harmless from and against all claims, losses, liabilities (including negligence, tort and strict liability), damages, judgments, suits, and all legal proceedings, and any and all costs and expenses in connection with (including attorneys' fees) arising out of or in any manner connected with the manufacture, purchase, financing, ownership, delivery, rejection, non-delivery, possession, use, transportation, storage, operation, maintenance, repair, return or other disposition of the EQUIPMENT or with this LEASE, including, without limitation, claims for injury to or death of persons and for damage to property, and give LESSOR prompt notice of any such claim or liability.

**20. ASSIGNMENT.** LESSOR (and not LESSEE) may assign or transfer this LEASE or LESSOR's interest in the EQUIPMENT without notice to LESSEE. Any assignee of LESSOR shall have all of the rights, but none of the obligations, of LESSOR under this LEASE and LESSEE agrees that it will not assert against any assignee of LESSOR any defense, counterclaim, or offset that LESSEE may have against LESSOR. LESSEE acknowledges that any assignment or transfer by LESSOR shall not materially change LESSOR's duties or obligations under this LEASE nor materially increase the burdens or risks imposed on LESSEE.

**21. SERVICE CHARGE AND INTEREST.** If LESSEE fails to pay due any rent or other amount required herein to be paid to LESSOR, LESSEE shall pay to LESSOR a service charge in the amount equal to the greater of: (a) five percent (5%) of each installment or part thereof for which rents or other amounts shall be delinquent; or (b) interest at sixteen percent (16%) per annum or such lower rate as the law requires on said delinquent rent or other amounts.

**22. EVENTS OF DEFAULT.** An event of default (and each of the foregoing is herein an "EVENT OF DEFAULT") shall occur hereunder if LESSEE, or any Guarantor:

(a) fails to pay any installment of rent or other payment required under when due; or  
(b) fails to perform or observe any other covenant, condition or agreement to be performed or observed by it hereunder or breaches any representation or provision contained herein or in any other document furnished by LESSOR in connection herewith; or

(c) without LESSOR's consent attempts to remove, sell, transfer, encumber, part with possession, or sublet any item of EQUIPMENT; or  
(d) shall (i) be adjudicated insolvent or a bankrupt, or cease to do so, or admits in writing an inability to pay their debts as they mature, or makes a general assignment for the benefit of, or enter into any composition or arrangement with creditors; (ii) applies for or consents to the appointment of a receiver, trustee or liquidator of either or of a substantial part of their property, or authorizes such application or consent, or proceedings seeking such appointment shall be instituted against either without such authorization, consent or application and shall continue undismissed for a period of 60 days; (iii) authorizes or files a voluntary petition in bankruptcy or applies for or consents to the application of any bankruptcy, reorganization, liquidation, arrangement, readjustment of debt, insolvency, dissolution, moratorium or other similar law of any jurisdiction, or authorizes such application or consent; or proceedings to such end shall be instituted against either without such authorization, application or consent and such proceeding instituted against either shall continue undismissed for a period of 60 days; or  
(e) shall suffer an adverse material change in the financial condition of either from the date hereof, and as a result thereof LESSOR deems itself insecure or any of its EQUIPMENT to be in jeopardy; or  
(f) shall be in default under any other agreement at any time made with LESSOR or any parent, subsidiary, affiliate or related entity of LESSOR; or  
(g) shall create, incur, assume or suffer to exist any mortgage, pledge, or other encumbrance or attachment of any kind whatsoever upon, affecting or with respect to the EQUIPMENT or this LEASE or any of LESSOR's interest hereunder.

**23. REMEDIES.** Upon the occurrence of any EVENT OF DEFAULT at any time thereafter, LESSOR may, with or without terminating this LEASE, in its sole discretion, do any one or more of the following:  
(a) upon notice to LESSEE terminate this LEASE;  
(b) LESSOR may elect in its sole discretion, not to take possession of the EQUIPMENT, continue to be the owner of the EQUIPMENT and may, but is not obligated to, dispose of the EQUIPMENT by sale or otherwise, all of which determinations may be made by LESSOR in its absolute discretion and for its own account;

(c) declare immediately due and payable all sums due and to be due hereunder for the full term of this LEASE;  
(d) if this LEASE provides for a Stipulated Loss Value of the EQUIPMENT, with or without terminating this LEASE, recover the Stipulated Loss Value of the EQUIPMENT as of the rent payment date immediately preceding LESSEE's date of default plus all commercially reasonable costs and expenses incurred by LESSOR in a repossession, recovery, storage, repair, sale, re-lease, or other disposition of the EQUIPMENT, including reasonable attorneys' fees and costs incurred in connection therewith or otherwise resulting from LESSEE's default;

(e) if this LEASE does not provide for a Stipulated Loss Value of the EQUIPMENT, with or without terminating this LEASE, recover from LESSEE damages, not as a penalty, but herein liquidated for all purposes and in an amount equal to the sum of (i) any accrued and unpaid rent as of the date of entry of judgment in favor of LESSOR plus interest at the rate of sixteen percent (16%) per annum; (ii) the present value of all future rentals reserved in the LEASE and contracted to be paid over the unexpired term of the LEASE discounted at a rate equal to the discount rate of the Federal Reserve Bank of Kansas City, Missouri as of the date of entry of judgment in favor of LESSOR plus one percent (1%); (iii) all commercially reasonable costs and expenses incurred by LESSOR in any repossession, recovery, storage, repair, sale, re-lease, or other disposition of the EQUIPMENT including reasonable attorneys' fees and costs incurred in connection therewith or otherwise resulting from LESSEE's default; (iv) the present value of the "Purchase Option Price" shown above determined by discounting at a rate equal to the then existing discount rate of the Federal Reserve Bank of Kansas City, Missouri, plus one percent (1%); and (v) any indemnity, if then determinable, plus interest at sixteen percent (16%) per annum.

(f) in its sole discretion, re-lease or sell any or all of the EQUIPMENT at a public or private sale on such terms and notice as LESSOR shall deem reasonable and recover from LESSEE damages, not as a penalty, but herein liquidated for all purposes and in an amount equal to the sum of (i) accrued and unpaid rent as of the date of (A) the date of default or (B) the date that LESSOR has obtained possession of the EQUIPMENT or such other date as LESSEE has made an effective tender of possession of the EQUIPMENT back to LESSOR ("DEFAULT DATE"), plus rent (at the rate provided for in this LEASE) for the additional period (but in no event longer than two (2) months) that it takes LESSOR to sell or re-lease all of the EQUIPMENT at the rate of sixteen percent (16%) per annum; (ii) the present value of all future rentals reserved in the LEASE and contracted to be paid over the unexpired term of the LEASE discounted at a rate equal to the discount rate of the Federal Reserve Bank of Kansas City, Missouri as of the DEFAULT DATE plus one percent (1%); (iii) all commercially reasonable costs and expenses incurred by LESSOR in any repossession, recovery, storage, repair, sale, re-lease or other disposition of the EQUIPMENT including reasonable attorneys' fees and costs incurred in connection with or otherwise resulting from the LESSEE's default; (iv) the present value of the "Purchase Option Price" shown above determined by discounting at a rate equal to the then existing discount rate of the Federal Reserve Bank of Kansas City, Missouri plus one percent (1%); (v) any indemnity, if then determinable, plus interest at sixteen percent (16%) per annum; less the amount received by LESSOR upon such public or private sale or re-lease of such items of EQUIPMENT, if any;

(g) if (i) LESSOR elects not to sell, re-lease or otherwise dispose of all or part of the EQUIPMENT or (ii) does so by a re-lease which is not made in a manner substantially similar to the LEASE or (iii) the measure of damages under subparagraphs (c) and (d) above are not allowed under any applicable law, LESSOR may recover the market value, if any, as of the DEFAULT DATE of the rent reasonably estimated by LESSOR to be obtainable for the EQUIPMENT during the remaining LEASE term or renewal thereof then in effect, plus any accrued and unpaid rent as of the DEFAULT DATE.

(h) exercise any other right or remedy which may be available under the UCC or any other applicable law;  
(i) a termination hereunder shall occur only upon notice by LESSOR and only as to such items of EQUIPMENT as LESSOR specifically elects to terminate and this LEASE shall continue in full force and effect as to the remaining items, if any.

(j) if this LEASE is deemed at any time to be a mere security and evidence of indebtedness, LESSEE agrees that the EQUIPMENT shall secure, in addition to the indebtedness set forth herein, indebtedness at any time owing by LESSEE to LESSOR. No remedy referred to in this or any other Paragraph is intended to be exclusive, but shall be cumulative and in addition to any other remedy referred to above or otherwise available to LESSOR at law or in equity. No express or implied waiver by LESSOR of any EVENT OF DEFAULT shall constitute a waiver of any other EVENT OF DEFAULT by LESSEE or a waiver of any of LESSOR's rights.

**24. LESSEE'S WAIVERS.** To the extent permitted by applicable law, LESSEE hereby waives any and all rights and remedies conferred upon a LESSEE by the UCC, including but not limited to LESSEE's rights to: (a) cancel this LEASE; (b) repudiate this LEASE; (c) reject the EQUIPMENT; (d) revoke acceptance of the EQUIPMENT; (e) recover damages from LESSOR for any breaches of warranty or for any other reason; (f) a security interest in the EQUIPMENT in LESSEE's possession or control for any reason; (g) deduct all or any part of any claimed damages resulting from LESSOR's default, if any, under this LEASE; (h) accept partial delivery of the EQUIPMENT; (i) "cover" by making any purchase or lease of or contract to purchase or lease equipment in substitution of those due from LESSOR; (j) recover any general, special, incidental, or consequential damages, for any reason whatsoever; and (k) specific performance, replevin, detinue, restitution, claim, and delivery of the like for any EQUIPMENT identified to this LEASE. To the extent permitted by applicable law, LESSEE also hereby waives any rights now or hereafter conferred by statute or otherwise which may require LESSOR to sell, lease or otherwise use any EQUIPMENT in mitigation of LESSOR's damages as set forth herein or which may otherwise limit or modify any of LESSOR's rights or remedies. Any action by LESSEE against LESSOR for any default by LESSOR under this LEASE, including breach of warranty or indemnity, must be commenced within one (1) year after any such cause of action accrues, or within one (1) year after termination of this LEASE, whichever is earlier.

**25. OWNERSHIP, PERSONAL PROPERTY, EQUIPMENT.** It is, and at all times remain, the property of LESSOR; and LESSEE shall have no right, title or interest therein or thereto except as expressly set forth in this LEASE. EQUIPMENT is, and shall at all times be and remain, personal property notwithstanding that EQUIPMENT or any part thereof may now be or hereafter become, in any manner affixed or attached to, real property or any improvements thereon.

**26. NOTICES.** Service of all notices under this LEASE shall be sent if given personally or mailed to the party involved at its respective address set forth above, or at such other address as said party may provide in writing from time to time.

**27. SECURITY DEPOSIT.** When applicable, LESSOR may, but not be obliged to, apply the "Security Deposit Amount" shown above to cure any default of LESSEE hereunder, in which event LESSEE shall promptly restore the Deposit Amount to the full amount specified above. Upon termination of this LEASE and all renewals hereof, if LESSEE has fulfilled all the terms and conditions hereof, LESSOR shall return to LESSEE any remaining balance of the Deposit Amount actually made by LESSEE. Interest on Deposits shall be accrued at the rate indicated above. Interest shall be compounded annually. Both interest and principal shall be held by LESSOR until applied to LESSEE's obligations as provided hereunder or returned to LESSEE.

**28. CONTINGENCIES.** The terms and conditions of this agreement, including but not limited to the "Rent" are based upon certain applications of the provisions of the Internal Revenue Code and the regulations issued pursuant thereto. In the event that such applications are determined to be erroneous, or unallowable, or such provisions are amended or modified, the "Rent" herein provided for shall be adjusted, at the sole discretion of LESSOR, so that the net after tax return to the LESSOR on this LEASE shall remain the same as though said applications were allowable or such provisions had not been amended or modified.

**29. PURCHASE OPTION.** Notwithstanding any other term or condition of this LEASE, LESSEE is hereby granted the option to purchase the EQUIPMENT as a whole and not in part, and on an as-is where-is basis without warranty, at the end of the LEASE term, provided that LESSEE is not in default under this LEASE or any other agreement with LESSOR. This option may be exercised by LESSEE only upon giving written notice to LESSOR not less than thirty (30) nor more than sixty (60) days prior to the end of the LEASE term, and accompanied by the "Purchase Option Price" shown above, plus applicable sales tax or the appropriate sales tax exemption certificate. In the event this option is exercised, LESSOR will consummate the sale upon LEASE expiration, and full performance by LESSEE hereunder.

**30. FILING.** A carbon, photographic or other reproduction of this LEASE shall be sufficient for purposes of filing notice of this transaction of public record. LESSEE authorizes LESSOR to file same for the purpose stated herein.

**31. CORRECTIONS.** LESSEE authorizes LESSOR to correct any clerical or typographical errors in this LEASE or any notice executed in connection herewith. LESSOR shall notify LESSEE in writing of any corrections made as provided hereunder.

**32. ADDRESS CHANGE.** LESSEE will immediately notify LESSOR of any change of LESSEE's address.

**33. POWER OF ATTORNEY.** LESSEE hereby irrevocably grants to LESSOR and each of LESSOR's officers, agents and employees, as the LESSEE's attorney-in-fact, all the LESSEE's right and power to: (a) prepare, execute, and deliver, in the name of the LESSEE, UCC-1 forms and/or amendments to same as to EQUIPMENT; and (b) make claim(s) for, receive payment of, execute and endorse all documents, checks or drafts received in payment for loss or damage under any of LESSEE's insurance policies. It is the intent of the LESSEE that LESSOR and its officers, its agents and its employees each be empowered hereby to: (a) execute such UCC-1 forms and/or amendments to same as to the EQUIPMENT and record the same as required by applicable law in the same manner and with the same effect as if LESSEE had prepared and personally executed the same; and (b) make claim(s) for, receive payment of, execute and endorse all documents, checks or drafts received in payment for loss or damage under any of LESSEE's insurance policies in the same manner and with the same effect as if LESSEE had prepared, performed, executed or endorsed same.

**34. GOVERNING LAW.** This LEASE shall in all respects be governed by, and construed in accordance with, the laws of the State of Nebraska, including all matters of construction, validity and performance. LESSEE agrees to submit to the jurisdiction of the state and/or federal courts in the State of Nebraska. This LEASE was executed in the State of Nebraska (by the LESSOR having countersigned it in Nebraska) and is to be performed in the State of Nebraska by reason of the payments required to be made to LESSOR in Nebraska.

**35. MISCELLANEOUS.** No provision of this LEASE can be waived by the written consent of LESSOR. LESSEE shall provide LESSOR with all necessary information, including financial statements and other documents as LESSOR shall request from time to time. If more than one LESSEE is named in this LEASE, the liability of each shall be joint and several. If LESSOR so requests, LESSEE shall execute such documents as LESSOR shall require for filing or recording. If any portion hereof is determined by a competent court to be unenforceable, the remaining provisions hereof shall continue to bind the parties hereto.

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OFFICIAL RECORDS  
RECORDED AT THE REQUEST OF  
*Martin Hanson*  
00 DEC 11 AM 10:59

EUREKA COUNTY NEVADA  
M.H. REBALEATI, RECORDER  
FILE NO. FEES 12<sup>00</sup>

175653

COPY

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