

LEASE WITH OPTION TO PURCHASE

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THIS LEASE made this 11<sup>th</sup> day of August, 1972, by and between NEIL BRUNDY and DIXIE BRUNDY, husband and wife, of Las Vegas, Nevada, now hereinafter referred to as LESSORS, and HENRY A. RICE and VIRGINIA RICE, husband and wife, of Logandale, Nevada, hereinafter referred to as LESSEES,

W I T N E S S E T H:

That in consideration of the mutual covenants, agreements and conditions herein contained on the part of the Lessees to be kept, done and performed, the Lessors do hereby lease to the Lessees the premises described as an undivided one-half ( $\frac{1}{2}$ ) interest in and to the following: Real property located in Lincoln County, Nevada, described in attached Exhibit "A", together with personal property thereon as more fully described in Exhibit "B" attached hereto.

TO HAVE AND TO HOLD the same for a period of three years commencing on the 1st day of May, 1972, and ending on the 30<sup>th</sup> day of April, 1975, at midnight, upon the conditions and terms herein stated, rental payable as follows:

a. The sum of Five Hundred (\$500.00) Dollars per year for the second and third years of this Lease, payable on the 1st day of May, 1973, and the 1st day of May, 1974.

b. The payment by Lessees of his proportionate  $\frac{1}{2}$  of payments, taxes, assessments and charges of every kind and nature for which Lessors are liable in connection with said premises, including, but not limited to, mortgage payments against cattle, payments on Contract of Sale between JAMES S. HENRIE and DONA MAE HENRIE and CHARLES BRUNDY and HELEN BRUNDY and NEIL BRUNDY and DIXIE BRUNDY, dated the 12<sup>th</sup> day of March, 1968, payments on equipment, taxes and assessments, insurance and grazing fees, said payments to be made upon presentation of statements or upon

1 demand by Lessors.

2 IT IS, THEREFORE, MUTUALLY AGREED AS FOLLOWS:

3 1. Lessors guarantee Lessees One Hundred Fifty (150)  
4 head of cattle at beginning of lease period, minus cattle sold  
5 during the months of May and June, 1972, for ranch expenses,  
6 such sales to be verified by auction slips. Lessees shall obtain  
7 a new brand to mark such cattle, in order to distinguish from  
8 cattle on premises which now bear Walking Y Brand. The new brand  
9 obtained by Lessees shall be registered in the name of Lessors.

10 2. All cattle branded with Block T Slash Brand are to  
11 be allowed to run on ranch at no charge or cost to Lessors, not  
12 to exceed nine (9) cattle and two (2) horses.

13 3. That Lessees may enter into exclusive possession of  
14 the above-described premises at the beginning of said term, which  
15 shall be May 1, 1972.

16 4. The Lessees shall not sublet the demised premises,  
17 or any part thereof, nor assign this lease without, in each case,  
18 the consent of Lessors in writing, to said premises.

19 5. Lessees shall abide by and comply with any and  
20 all ordinances and laws of all municipalities having jurisdiction  
21 of the demised premises. Lessees will keep insurance on vehicles  
22 in force.

23 6. Lessors shall <sup>not</sup> be liable for any damage or  
24 injury to Lessees, <sup>has</sup> or loss of personal property of Lessees,  
25 arising from any acts of negligence of any other persons.

26 7. Lessees shall not make any changes or alterations  
27 or additions in and upon the demised premises of any kind or nature  
28 whatsoever, without written consent of Lessors.

29 8. Lessee shall not vacate or abandon the premises  
30 at any time during the term; and if Lessees shall abandon, vacate  
31 or surrender said premises, or be dispossessed by process of law,  
32 or otherwise, any personal property belonging to Lessees and

x

1 left on the premises shall be deemed to be abandoned, at the option  
2 of Lessors, except such property as may be mortgaged to Lessors.

3           9. In the event that Lessees shall vacate or abandon  
4 the demised premises at any time when a part or portion of the  
5 aggregate rental remains due or unpaid, or in the event of non-  
6 payment of any other charge against the premises as herein-above  
7 set forth, or in the event of any breach of any of the conditions,  
8 stipulations, promises, or covenants by the Lessees, as set forth  
9 in this Lease, the said Lessees' right of possession of the demised  
10 premises shall terminate, <sup>in HAP W.P. after notice</sup> upon 30 days ~~written~~ notice, and the  
11 retention or possession thereafter by the Lessees shall constitute  
12 an unlawful detainer of the demised premises. In such an event,  
13 and if the Lessors so elect and after 30 days <sup>HAP W.P.</sup> written notice,  
14 this lease shall terminate. Whether or not this Lease is termin-  
15 ated by the election of the Lessors, upon the termination of the  
16 Lessees' <sup>HAP W.P.</sup> Right of possession the Lessees agree to immediately  
17 surrender possession, and the Lessor shall have the immediate right  
18 to repossess themselves of the demised premises with or without  
19 legal proceedings, and to remove, expel and put out the Lessees  
20 or any other person who may be in or upon the demised premises,  
21 but said entry by the Lessors shall not constitute a trespass or  
22 a forcible entry or detainer, nor shall the same result in a  
23 forfeiture of rents that may be due or a waiver of any promise,  
24 agreement, or covenant of the Lessees as provided by this lease.  
25 The acceptance of rent or any other payment due by the Lessors,  
26 or any installment thereof, shall not constitute a waiver of  
27 any matter or thing by the Lessors in respect to the subject  
28 matter of this Paragraph of this lease.

29           10. Upon the expiration or any other termination of  
30 the term of this Lease, the Lessees shall forthwith and immediately  
31 quit the demised premises and surrender to Lessors the demised  
32 premises, together with any personal property as set forth in

1 Exhibit "B" attached hereto, in good order and condition, subject  
2 to the normal and usual use and occupancy thereof for the purposes  
3 herein stated. However, the Lessees' obligation to observe or  
4 perform their covenants shall survive the expiration or any other  
5 termination of the term of this lease.

6 11. Lessees shall pay all costs, expenses, which  
7 may be incurred and expended by the Lessors in enforcing the  
8 terms, conditions, promises, and agreements of this Lease, whether  
9 or not by legal proceedings, or otherwise. These sums shall be  
10 paid immediately upon demand.

11 12. The liability of the Lessees to pay rent or such  
12 other payments as provided for herein shall not be waived,  
13 released or terminated by the service of any notice or demand  
14 upon the Lessees by the Lessors, or the institution of legal  
15 proceedings or of any other act or acts resulting in the termina-  
16 tion of the Lessees' right to possession of the demised premises.

17 13. Lessees shall at all times keep the demised pre-  
18 mises and the appurtenances thereto, in a sightly, healthy and  
19 clean condition and in a good state of repair, as well as in  
20 compliance with all ordinances, laws and statutes of any laws  
21 and statutes having jurisdiction of the demised premises, and  
22 all at the cost and expense of the Lessees. And upon the termina-  
23 tion of this lease, whether the same shall be the expiration of  
24 the term or by reason of any other matter or thing whatsoever,  
25 the Lessees shall yield demised premises, and all personal  
26 property, back to Lessors in the same condition as of the date  
27 of the taking possession, reasonable wear and tear excepted.  
28 Lessees shall not cause or permit any waste, misuse or neglect  
29 on the said premises. In the event Lessees fail or refuse to  
30 perform as provided herein, the Lessors or any of his servants  
31 may enter the demised premises to carry out the Lessees' perfor-  
32 mance as provided for herein without affecting the tenancy or

1 terminating this Lease agreement or the Lessees' occupancy of  
2 the demised premises, and upon completing said performance, the  
3 Lessees shall pay the Lessors the costs thereof, which payment  
4 shall be made immediately upon demand.

5           14. All promises, covenants, and agreements set forth  
6 in this lease shall be binding upon, apply, and inure to the  
7 benefit of the heirs, executors, assigns or administrators,  
8 respectively, of the Lessors and Lessees.

9           15. The Lessees further covenant and agree that they  
10 will at all times, indemnify and hold the Lessors harmless from  
11 and against:

12           (a) Any and all liens and charges of any and every  
13 nature and kind, including attorney's fees which at any time  
14 may be established against said leased premises or any part  
15 thereof, as a consequence, direct or indirect, of the existence  
16 of Lessees' interests under this Lease.

17           (b) Any and all loss, cost, damage or expense sustained  
18 by Lessors, including attorney's fees:

19           (i) On account of, or through the use of said  
20 premises or any part thereof by the Lessees or by any other  
21 person.

22           (ii) Arising out of, or indirectly or directly  
23 due to any failure of the Lessees in any respect promptly and  
24 faithfully to satisfy their obligations under this Lease.

25           (iii) Arising out of, directly or indirectly,  
26 due to any accident or other occurrence causing injury to any  
27 person or persons or property whomsoever or whatever resulting  
28 from the use of said premises or any part thereof under this Lease.

29           16. It is agreed that a waiver of a breach of any  
30 covenant of this lease shall not be construed to be a waiver of  
31 any succeeding breach of the same covenant; and furthermore,  
32 the acceptance of a part of any installment of rent or other

1 payment to be made hereunder shall not be construed as a waiver  
2 of Lessors' right to collect the whole amount that may be due  
3 and payable hereunder, nor shall acceptance be construed as a  
4 waiver of a breach of any covenant or agreement which may exist  
5 at the time of such acceptance.

6 17. It is further mutually agreed that if the Lessees  
7 shall have duly and punctually fulfilled all of the provisions,  
8 agreements, covenants, and conditions of this Lease, including  
9 the provisions of this Paragraph hereinafter set forth, the  
10 Lessors, on the receipt of written notice from the Lessees on  
11 or after the date of the signing of this agreement, and prior to  
12 the First <sup>U.B. HAR</sup> day of MAY <sup>M.D.</sup>, 1975, stating that the  
13 lessees elect to purchase the premises and personal property,  
14 the subject of this Lease pursuant to the provisions of this  
15 Paragraph, will convey the leased premises and personal property  
16 to the Lessees on and subject to the following conditions:

17 (a) The purchase price of the leased premises shall  
18 be Sixty-Six Thousand Two Hundred Fifty (\$66,250.00) Dollars,  
19 and assumption by Lessees of the Contract of Sale, by and between  
20 JAMES S. HENRIE and DONA-MAE HENRIE, Sellers, and CHARLES BRUNDY  
21 and HELEN BRUNDY, husband and wife, and NEIL BRUNDY and DIXIE  
22 BRUNDY, husband and wife, Buyers, entered into on the 12<sup>th</sup> day  
23 of March, 1968, instrument no. 46099 filed and recorded on the 1<sup>st</sup>  
24 day of May, 1968, in Book R, page 1, of Lincoln County, Nevada,  
25 records.

26 (b) The sum of Thirty Thousand (\$30,00.00) Dollars  
27 cash, on or before the 1<sup>st</sup> day of June, 1975, <sup>U.B. HAR</sup> <sup>MAY</sup> <sup>at the time of receipt</sup>  
28 of the \$30,000 Dollars shall get them into the hands of the Lessees

29 (c) The sum of Two Thousand Five Hundred (\$2,500.00)  
30 Dollars or more, per year, with interest at the rate of Four (4%)  
31 Percent per annum, commencing on the 1st day of June, 1977, and  
32 a like amount, or more, on or before the 1st day of June of each  
and every succeeding year thereafter until the remaining balance

1 \$ 36,250.00 has been paid in full. Such installments  
2 shall apply first to interest then due on the contract and the  
3 balance on the principal.

4 (d) That in the event of failure of Lessees to exercise  
5 the option to purchase the real and personal property hereby  
6 given, Lessees shall forfeit all payments made by them and such  
7 payment or payments shall be retained by the Lessors as liquidated  
8 damages by them sustained.

9 (e) It is mutually agreed between the parties hereto  
10 that after Lessees have paid to Lessors the full purchase price  
11 as hereinabove set forth, plus accruing interest, the Lessors  
12 shall and will deliver to the Lessees a deed conveying marketable  
13 title to the Lessees.

14 IN WITNESS WHEREOF, the parties hereto have hereunto  
15 set their hands and executed this lease the day and year first  
16 above written.

17  
18 Henry A. Rice

19  
20 SUBSCRIBED & SWORN to before me  
21 this 21st day of August, 1972. Neil & Brundy

22 Virginia Rice

23  
24 NOTARY PUBLIC  
Notary Public - State of Nevada  
CLARENCE COUNTY  
MICHAEL L. HINES  
My Commission Expires July 21, 1975

25 Neil Brundy

26 All notices to be given here-in shall  
27 be by certified or registered mail  
as follows:

28 To the Lessor:  
29 Neil and Neil Brundy  
30 7910 Grand  
31 Las Vegas, Nevada 89119

32 To the Lessees  
Henry A. and Virginia Rice  
Legendale, Nevada  
Box 118

W.B. HAR.

EXHIBIT A (Page 1)

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3 Parcel 1. NW $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 17; NE $\frac{1}{4}$ SE $\frac{1}{4}$  S $\frac{1}{2}$ SE $\frac{1}{4}$  Section 18;  
4 all in Township 10 South, Range 67 East, M.D.B. &  
5 M., containing 160 acres, more or less.

6 Parcel 2. Lot 1; NE $\frac{1}{4}$  SW $\frac{1}{4}$  NE $\frac{1}{4}$  of Section 19, Township 10 South,  
7 Range 67 East, M.D.B. & M., containing 117 acres,  
8 more or less.

9 Together with all improvements on each of said parcels above  
10 described and all appurtenances and water rights thereunto  
11 belonging.

12  
13 ALSO

14 The following described water and water rights, to-wit:

- 15 1. Certificate No. 868, issued by the State Engineer of Nevada,  
16 to John Hafen and E. R. Frei for the waters of Cottonwood Creek,  
17 for irrigation and domestic purposes.
- 18 2. Certificate No. 1499, issued by the State Engineer of Nevada,  
19 to John Hafen and E. R. Frei for the waters of Cottonwood Creek,  
20 for irrigation and domestic purposes.
- 21 3. Certificate No. 2062, issued by the State Engineer of Nevada,  
22 to Hafen and Frei Brothers for the waters of Cottonwood Creek,  
23 for Stockwatering and domestic purposes.
- 24 4. Certificate No. 1946, issued by the State Engineer of Nevada,  
25 to Hafen and Frei Brothers for the waters of Meadow Valley Wash,  
26 for Stockwatering purposes.
- 27 5. Certificate No. 1947, issued by the State Engineer of Nevada,  
28 to Hafen and Frei Brothers for the waters of Meadow Valley Wash,  
29 for stockwatering purposes.
- 30 6. Certificate No. 1948, issued by the State Engineer of Nevada,  
31 to Hafen and Frei Brothers for the waters of Meadow Valley Wash,  
32 for Stockwatering purposes.



EXHIBIT A (CONT.) (Page 2)

1  
2 7. Certificate No. 1949, issued by the State Engineer of Nevada,  
3 to Hafen and Frei Brothers for the waters of Meadow Valley Wash  
4 for stockwatering purposes.

5 8. All right, title, and interest of Gilbert G. Heaton and Mildred  
6 L. Heaton, his wife, and Andrew Lytle and Fern B. Lytle, his  
7 wife, conveyed by Deed dated the 3rd day of June, 1948, to  
8 James S. Henrie, Parley S. Henrie and William Thomas Henrie,  
9 a co-partnership doing business as "Henrie Brothers" in water  
10 filing Serial No. 10196 Certificate No. 172, Oak Springs, filed  
11 in the office of the Nevada State Engineer.

12 9. An undivided one-half interest in and to water filing  
13 Serial No. 01503, Fife Spring, for stockwatering purposes.

14 10. Certificate of Appropriation No. 1895 issued by the State  
15 Engineer of Nevada to Vivian J. Frei, for 0.225 c.f.s. to  
16 irrigate 22.48 acres in Meadow Valley Wash.

17 11. Certificate of Appropriation No. 426 issued by the State  
18 Engineer of Nevada to James Henry, Jr., covering Ash Creek.

19 ALSO

20 All priority rights and preferences to waters and springs in the  
21 area generally described and known as the "Pennsylvania" area  
22 and the area embraced in the grazing allotment conveyed by Deed  
23 dated the 3rd day of June, 1948, to James S. Henrie, Parley S.  
24 Henrie and William Thomas Henrie, a co-partnership doing  
25 business as "Henrie Brothers", and particularly including any  
26 and all priority rights obtained by Gilbert G. Heaton and Mildred  
27 L. Heaton, his wife, and Andrew Lytle and Fern B. Lytle, his  
28 wife, from Hafen and Frei Brothers in and to the waters known  
29 as Big Spring, Horse Spring, and Cherokee Spring, and Cougar  
30 Spring.

31 ALSO

32 Grazing rights and privileges for Four Hundred Eighty Eight (488)

EXHIBIT A (CONT.) Page 3)

1 head of cattle (CYL) and twelve (12) Horses in the Meadow  
2 Valley Wash and Cottonwood Allotment of Searchlight District  
3 No. 5 under the Taylor Grazing Act, now known as the Clover Mtn.  
4 Unit Cottonwood Allotment and Tule Unit Henrie Allotment. It is  
5 expressly understood and agreed that the boundary line of said  
6 Grazing area will be drawn in conjunction with the District Grazier  
7 and as particularly described in the transfer of said grazing priv-  
8 ileges from Gilbert G. Heaton and Mildred L. Heaton, his wife, and  
9 Andrew Lytle and Fern B. Lytle, his wife, to James S. Henrie,  
10 Parley S. Henrie and William Thomas Henrie, a co-partnership  
11 doing business as "Henrie Brothers."

12 TOGETHER WITH the tenements, hereditaments, and appurten-  
13 ances thereunto belonging or in anywise appertaining, and the  
14 reversion and reversions, remainder and remainders, rents,  
15 issues and profits thereof.

16 ALSO

17 Following claims for stockwatering purposes, to-wit:

18 Application No. 3590; Lone Spring, was filed September 27,  
19 1915 by R. P. Henrie for stock watering purposes. Point  
20 of diversion in NE $\frac{1}{4}$ SE $\frac{1}{4}$  Section 34 T. 9 S., R. 67 E.  
21 This application was cancelled November 30, 1915 because  
22 of failure of applicant to refile corrected application within  
23 statutory time.

24 Application No. 3762, Lone Spring, was filed January 3, 1916  
25 by R. P. Henrie for stockwatering and domestic purposes.  
26 Point of Diversion in NE $\frac{1}{4}$ SE $\frac{1}{4}$  Section 34, T. 9 S., R. 67 E.  
27 This application was approved April 22, 1916 and then  
28 cancelled January 12, 1918 because of failure of applicant  
29 to comply with the provisions of the permit.

30 Application No. 5684; Lone Spring was filed August 21,  
31 1919 by Ethel S. Henrie for stock and irrigation purposes.  
32 Point of Diversion in NE $\frac{1}{4}$ SE $\frac{1}{4}$  Section 34, T. 9 S., R. 67 E.  
The application was denied March 1, 1921.

Application No. 6506 for permission to change the point of  
diversion and place of use of the waters granted under Permit  
No. 2306; Being the waters of Meadow Valley Creek, was  
filed July 11, 1921 by Ethel S. Henrie. The point of diversion  
as described by the application is in the NW $\frac{1}{4}$ NW $\frac{1}{4}$  Section 35,  
T. 7 S., R. 67 E. Map filed December 13, 1921 shows the  
point of diversion in the SW $\frac{1}{4}$ NE $\frac{1}{4}$  Section 34, T. 7 S., R. 67 E.  
The application was approved February 13, 1925 for 160 acre

EXHIBIT A (CONT.) (Page 4)

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2 feet per season for irrigation and domestic purposes. The  
3 proof of beneficial use became due June 6, 1934.

4 Application No. 6507; Meadow Valley Wash was filed July 11,  
5 1921 by Ethel S. Henrie for irrigation and domestic purposes.  
6 The point of diversion as described in the application is in the  
7 NW $\frac{1}{4}$ NW $\frac{1}{4}$  Section 35, T. 7 S., R. 67 E. The map filed Dec-  
8 ember 13, 1921 shows this point in the SW $\frac{1}{4}$ NW $\frac{1}{4}$  Section 35,  
9 T. 7 S., R. 67 E. No action has been taken on this application.

10 No. 01439; Blackberry Spring No. 1 (sometimes known as  
11 Hackberry Spring) was filed January 5, 1916. The water is  
12 diverted according to the proof at 100' from the SW corner  
13 Section 14, T. 10 S., R. 66 E.

14 No. 01441; Blackberry Spring No. 3 (sometimes known as  
15 Hackberry Spring) was filed January 5, 1916. The water is  
16 diverted at 660 feet from S East corner Section 2, T. 10 S.,  
17 R. 65 E.

18 No. 01447; Ash Spring was filed February 6, 1916. The  
19 point of diversion is described as being at N. 30° W.  
20 150 feet from Southeast corner Section 6, T. 5 S., R. 68 E.

21 No. 01448; Elly Spring, was filed February 7, 1916. The  
22 point of diversion is N. 40° E. 200 feet from the Southwest  
23 corner Section 1, T. 6 S., R. 67 E.

24 No. 01557; Meadow Valley Wash, was filed April 13, 1918.  
25 This proof was filed for irrigation and domestic purposes.  
26 the Points of diversion are in Section 34 and 35, T. 7 S.,  
27 R. 67 E.

28 Old priority, stock watering right, recorded in name of  
29 Ransom Parley Henrie, and located in SW $\frac{1}{4}$ NW $\frac{1}{4}$  and W $\frac{1}{2}$ SW $\frac{1}{4}$   
30 Section 35, T. 7 S., R. 67 E.  
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EXHIBIT "B"

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EQUIPMENT

Rake  
Mower  
Chopper  
Bailer  
1941 Ford Truck  
Water Trough - Ella  
Loading Chute - Ella  
Corral gates - Ranch  
Corn Crib  
Granary  
Gas Storage Tank  
Used Truck  
Truck Rack  
Windrower, ditcher, bailer  
Spreader  
John Deere - Gas Tractor  
Caterpillar  
G. M. C. Truck  
Ford Truck  
Willys Jeep  
Miscellaneous equipment

*Saddle Horses 11/73 J.B.*

NOTICE OF EXISTENCE OF LEASE WITH OPTION  
TO PURCHASE

TO WHOM IT MAY CONCERN:

YOU ARE HEREBY NOTIFIED, and pursuant to request from the Bureau of Land Management, that there exists a certain lease with option to purchase entered into on the 11<sup>th</sup> day of August, 1972, by and between NEIL BRUNDY and DIXIE BRUNDY, husband and wife, of Las Vegas, Nevada, and HENRY A. RICE and VIRGINIA RICE, husband and wife, of Logandale, Nevada, which lease covered that property located in the County of Lincoln, State of Nevada, and described as:

PARCEL 1 - NW $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 17; NE $\frac{1}{4}$ SE $\frac{1}{4}$ , S $\frac{1}{2}$ SE $\frac{1}{4}$  Section 18; all in township 10 South, Range 67 East, M. D.B. & M., containing 160 acres, more or less.

PARCEL 2 - Lot 1; NE $\frac{1}{4}$  SW $\frac{1}{4}$  NE $\frac{1}{4}$  of Section 19, Township 10 South, Range 67 East, M. D.B. & M., containing 117 acres, more or less.

Together with all improvements on each of said parcels above described and all appurtenances and water rights thereunto belonging,

and upon which said leased property there exist range rights from the Bureau of Land Management to NEIL BRUNDY and DIXIE BRUNDY, who are the Lessors in such lease agreement.

DATED this 17<sup>th</sup> day of August, 1972.

DIXIE BRUNDY

NEIL BRUNDY

No. 86227  
FILED AND RECORDED AT REQUEST OF  
Neil Brundy  
February 11th, 1987  
AT 43 MINUTES PAST 11 O'CLOCK  
A.M. IN BOOK 73 OF OFFICIAL  
RECORDS, PAGE 559 LINCOLN  
COUNTY, NEVADA  
*Jack Collier*  
COUNTY RECORDER

BOOK 73 PAGE 559

MICHAEL L. HUNTER  
ATTORNEY AT LAW  
AND FREIGHT OFFICER  
LAS VEGAS, NEVADA