

19022691

WHEN RECORDED PLEASE MAIL TO:
RANDAL AND CARLOTTA DAVIS
P.O. BOX 90542
HENDERSON, NV 89009

LEASE OF AGRICULTURAL LAND

THIS LEASE, made and entered into the 13th day of June, 2001, by and between, RANDALL DAVIS and CARLOTTA DAVIS, husband and wife, as joint tenants, of the State of Nevada, hereinafter referred to as "Lessor", and JOHN MATHEWS and DONNE NE MATHEWS, husband and wife, as joint tenants, of Lincoln County, State of Nevada, hereinafter referred to as "Lessee."

IN CONSIDERATION of the mutual covenants contained herein, the parties hereby agree as follows:

ARTICLE I
DESCRIPTION OF PREMISES

SECTION 1.01. Description. Lessor leases to Lessee that certain real property together with improvements located thereon located in Lincoln County, State of Nevada, which real property is more particularly described on Exhibit "A" attached hereto and incorporated herein.

ARTICLE II
TERM

SECTION 2.01. Term. The term of this Lease is for a period of ten (10) years beginning the 13th day of June, 2001, and ending on the 13 day of June, 2011, at 5:00 p.m. This Lease shall terminate sooner in the event the obligation from Lessor to TERRY GEMMILL is paid in full prior to the expiration of this Lease.

ARTICLE III
COMPENSATION

SECTION 3.01. Compensation. One of the purposes of this Agreement is to utilize the water rights appurtenant to the property so that they may be preserved to the owner (Lessor) under the beneficial use doctrine of Nevada State Water Law and in accordance with the regulations of the Nevada State Engineer's Office, Division of Water Resources. Lessee hereby commits to organizing, financing, and constructing a suitable irrigation delivery system in the crop season of year one of this Agreement. Lessor and Lessee are in agreement to put the water rights to beneficial use in year one, and to make the improvements to protect the crops and equipment necessary to accomplish this goal. No cash payments will be made to Lessor in year one and year two. In year three Lessee will share equally with Lessor the wildlife mitigation compensation based on deer count in November of year three. Beginning in year six, ten percent (10%) of total crop sales revenues will be paid by Lessee to Lessor upon sale of said crops

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1 and ten percent (10%) each year thereafter to the end of the
2 Agreement.

3 ARTICLE IV
4 WATER RIGHTS

5 SECTION 4.01. Beneficial Use. Lessee shall beneficially
6 use, on the premises hereby leased, all of those water rights which
7 have been appropriated or which may be appropriated for use by
8 Lessor under applications pending, or hereafter to be filed, and
9 all water and ditches, if any, on said premises throughout the term
10 hereof.

11 SECTION 4.02. Amount of Water. It is understood and
12 agreed by and between the parties hereto that Lessor does not
13 guarantee to Lessee any particular quantity of water.

14 SECTION 4.03. Maintenance of Water Rights. Lessee shall
15 do and perform any and all things and acts required and necessary
16 to maintain the water rights in good standing in accord with the
17 statutes made and provided for the issued water certificates or
18 water certificates to be issued in the future.

19 ARTICLE V
20 MAINTENANCE

21 SECTION 5.01. Cultivation. Lessee hereby agrees to
22 cultivate the entire sum of 86 +/- acres of real property during
23 the entire life of this Lease.

24 SECTION 5.02. Repairs. Lessee shall keep all pumps(s)
25 and the transformer located on the premises in good repair.

26 ARTICLE VI
PAYMENT FOR UTILITIES AND OTHER TAXES

SECTION 6.01. Payment by Lessee. Lessee shall,
throughout the life of this Lease, pay for all utilities and shall
place all deposits for electricity with the appropriate utility
company. Lessee further agrees to pay for all personal property
taxes, if any, arising as a result of Lessee's use of the real
property.

SECTION 6.02. Payment of Real Property Taxes. Lessor
shall pay for all real property taxes for the leased premises.

ARTICLE VII
LEASE CONDITIONED UPON APPROVAL BY TERRY GEMMILL/ENFORCEMENT

SECTION 7.01. Approval. The effect of this Lease is
especially conditioned upon its approval by TERRY GEMMILL. In the
event that TERRY GEMMILL does not approve of the terms of this
Lease, this Lease shall be null and void. In the event that TERRY
GEMMILL approves of the terms of this Lease, Lessor and Lessee

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1 hereby agree to allow TERRY GEMMILL an independent right to enforce
2 the terms of this Lease throughout the life of this Lease it being
3 understood that it is the interest of TERRY GEMMILL that all water
4 rights conveyed by TERRY GEMMILL to Lessor which are to be used by
5 Lessee, are in fact beneficially used during the life of this
6 Lease, so as not to cause any forfeiture or loss of said water
7 rights.

8 **ARTICLE VIII**
9 **NON-RESPONSIBILITY**

10 SECTION 8.01. Recordation. For all intended repairs and
11 improvements, etc., Lessee shall cause to be recorded in the County
12 Recorder's Office of Lincoln County, State of Nevada, a Notice of
13 Non-Responsibility, as by statutes provided. Lessee shall take
14 every precaution to avoid fire hazard and shall not commit any
15 waste thereon nor suffer any to be committed.

16 **ARTICLE IX**
17 **TERMINATION**

18 SECTION 9.01. Termination. Upon the expiration or
19 sooner termination of this Lease, the Lessee shall peaceably
20 surrender and yield up to the Lessor the possession of said leased
21 premises and improvements and the whole thereof, in as good
22 condition as at the beginning of the term hereof, ordinary wear and
23 tear and damage by the elements alone excepted.

24 **ARTICLE X**
25 **DEFAULT**

26 SECTION 10.01. Lessor's Rights. If the Lessee shall
default in the payment of any installment of rentals hereinabove
provided for, or in the compliance with any covenant, agreement
or condition hereof upon their part to be kept and performed, then
in such event, the Lessor may, by fifteen (15) day's written notice
thereof given to the Lessee, declare a forfeiture hereof upon the
ground or grounds in said notice set forth, and unless the said
default shall be corrected within fifteen (15) days after such
notice given, the Lessor shall thereupon have the right to reenter
and take possession of said premises without legal proceedings and
eject the Lessee and any and all persons holding under them
therefrom and shall have the following alternate or additional
rights.

(a) Instead of re-entry and repossession as forfeiture,
to declare the entire balance of unpaid rental for the term hereof
to be immediately due and payable, and to pursue by court action
any legal remedy for the collection thereof. Lessee agrees to pay
all costs, fees and expenses incident to such collection and
awarded to Lessor by the court.

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1 (b) On such re-entry and repossession as aforesaid,
2 Lessor shall retain the rental payments theretoforemade as
liquidated damages for such breach upon the part of the Lessee.

3 (c) Should the Lessor elect to proceed under either Sub-
4 Paragraphs (a) or (b) hereof, Lessor shall thereupon use his best
5 efforts to obtain another Lessee for said premises. In such event,
6 any and all rentals paid by said succeeding Lessee shall be
7 credited against the unpaid rentals for the remainder of the term
8 of the within Lease.

9 ARTICLE XI
10 ASSIGNMENT/SUB-LEASING

11 SECTION 11.01. Restriction. Lessee shall not lease or
12 sublet or in any way assign the leased premises, or any portion
13 thereof, without written consent of the Lessor and TERRY GEMMILL
14 first had and obtained. Any attempt to assign or sub-lease this
15 Agreement shall be void and shall be a cause for termination of
16 this Agreement.

17 SECTION 11.02. Forfeiture of Lease. Any attempt to
18 assign or sublease this premises without first obtaining the
19 written consent of Lessor, shall, at the option of Lessor, be cause
20 for an immediate termination of this Lease, and any attempt of
21 assignment or sublease shall be void and without any effect.

22 ARTICLE XII
23 WAIVER

24 SECTION 12.01. Waiver. The waiver by the Lessor of
25 their right to declare a forfeiture of this Lease upon any default
26 upon the part of the Lessee shall not vitiate any provision
therefore herein contained, nor constitute a waiver of such right
in connection with any future default, or any other obligation of
the Lessee herein contained to be done and performed.

ARTICLE XIII
INSPECTION

SECTION 13.01. Lessor's Right to Inspect. Lessor
themselves, or by their employees, or agents, shall have the right
to enter upon said lease premises at any and all reasonable times
during the term hereof for the purpose of informing themselves as
to the compliance or non-compliance by the Lessee of the terms,
covenants and conditions of this Lease upon their part to be kept
and performed.

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**ARTICLE XIV
MISCELLANEOUS COSTS**

SECTION 14.01. Lessee's Obligation to Pay. Lessee agrees to pay for all water, labor, materials, Social Security, Workman's Compensation benefits, and other costs associated with Lessee's cultivation of the real property hereunder during the term of this Lease. For all such obligations or bills incurred during the term of this Lease, Lessee shall cause a Notice of non-responsibility to be posted as heretofore provided.

(a) Upon the termination of the within Lease, Lessee will discharge, pay and satisfy all bills and debts incurred by the Lessee, to the end that there is no responsibility or liability imposed upon said Lessor.

**ARTICLE XV
LICENSES AND TAXES**

SECTION 15.01. Lessee's Obligation to Pay. At all times during the life of this Agreement, Lessee will pay any and all licenses or business fees by law required, and to pay any and all taxes levied upon any personal property and equipment owned by said Lessee and which said Lessee may use in connection with the operation of said real property.

**ARTICLE XVI
INSURANCE**

SECTION 16.01. Lessee to Purchase. During the life hereof, Lessee shall at all times carry liability and fire insurance (for any structures) in a sufficient amount satisfactory to Lessor to protect and save Lessor free and harmless from any responsibility or liability in regard to damage to property or death or injury to person, resulting from Lessee's operation of said leased lands. Lessee shall provide proof of said insurance to Lessor and shall cause the insurance company to provide Lessor with a thirty (30) day notice of said company's intent to cancel said policy. Lessor shall be named as an additional insured for any insurance and as a loss payee.

**ARTICLE XVII
WILDLIFE DAMAGE**

SECTION 17.01. Wildlife Damage. Lessee shall have the right to apply for and receive mitigation compensation for wildlife damage to crops produced on, and improvements to the property.

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ARTICLE XVIII
MISCELLANEOUS

SECTION 18.01. Binding Effect. The covenants and agreements of this Lease shall be binding on the heirs, successors, legal representatives, and assigns of the parties.

SECTION 18.02. Time of Essence. Time is of the essence of this Lease.

SECTION 18.03. Venue. At the option of either party, the venue of any action may be established in the County of Lincoln, State of Nevada. Personal service either within or without the State of Nevada shall be sufficient to give that Court jurisdiction.

SECTION 18.04. Captions. The captions contained herein are inserted only for convenience of reference and are in no way to be construed as part of this Agreement or as a limitation on the scope of the particular paragraphs to which they refer.

SECTION 18.05. Choice of Law. This Agreement shall be construed pursuant to the laws of the State of Nevada.

IN WITNESS WHEREOF, the parties have hereunto set their hands the 2 day of June, 2001.

LESSOR:

Randall D. Davis
RANDALL DAVIS

Carlotia L. Davis
CARLOTIA DAVIS

LESSEE:

John Mathews
JOHN MATHEWS

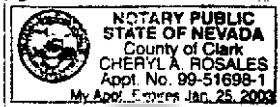
Donnene Mathews
DONNENE MATHEWS

STATE OF NEVADA,)
) SS.
COUNTY OF Clark)

On this 2 day of June, 2001,
before me, the undersigned, a Notary Public in and for the County

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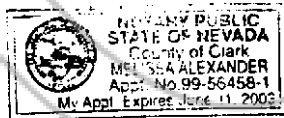
1 of Clark, State of Nevada, duly commissioned and sworn,
2 personally appeared RANDALL DAVIS and CARLOTIA DAVIS, husband and
3 wife, that executed the within instrument and known to me to the
4 person who affixed their names thereto and who acknowledged to me
5 that they executed the same freely and voluntarily and for the uses
6 and purposes therein mentioned.



CJA. Ros
NOTARY PUBLIC

7 STATE OF NEVADA,)
8 COUNTY OF Clark,) ss.

9 On this 2 day of June, 2001,
10 before me, the undersigned, a Notary Public in and for the County
11 of Clark, State of Nevada, duly commissioned and sworn,
12 personally appeared JOHN MATHEWS and DONNENE MATHEWS, husband and
13 wife, that executed the within instrument and known to me to the
14 persons who affixed his name thereto and who acknowledged to me
15 that they executed the same freely and voluntarily and for the uses
16 and purposes therein mentioned.



Melissa Alexander
NOTARY PUBLIC

18 The undersigned, TERRY GEMMILL, hereby approves of the terms of
19 this Lease.

20 DATED this _____ day of _____, 2001.

23 TERRY GEMMILL

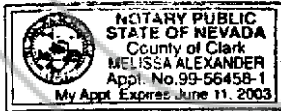
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A PROFESSIONAL CORPORATION
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ELY, NEVADA 89301
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1 of Clark, State of Nevada, duly commissioned and sworn,
2 personally appeared RANDALL DAVIS and CARLOTIA DAVIS, husband and
3 wife, that executed the within instrument and known to me to the
4 person who affixed their names thereto and who acknowledged to me
5 that they executed the same freely and voluntarily and for the uses
6 and purposes therein mentioned.

NOTARY PUBLIC

7 STATE OF NEVADA,)
8 COUNTY OF Clark,) ss.

9 On this 2 day of June, 2001,
10 before me, the undersigned, a Notary Public in and for the County
11 of Clark, State of Nevada, duly commissioned and sworn,
12 personally appeared JOHN MATHEWS and DONNENE MATHEWS, husband and
13 wife, that executed the within instrument and known to me to the
14 persons who affixed his name thereto and who acknowledged to me
15 that they executed the same freely and voluntarily and for the uses
16 and purposes therein mentioned.



Melissa Alexander
NOTARY PUBLIC

17 The undersigned, TERRY GEMMILL, hereby approves of the terms of
18 this Lease.


19 DATED this 11th day of June, 2001.

20
21 Terry Gemmill
22 TERRY GEMMILL
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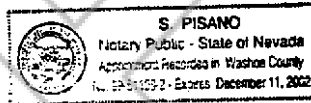
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State of Nevada
County of Washoe

On this 11th day of June, 2001, personally appeared before me, a notary public, Terry Gemmill, known (or proved) to me to be the person described in and who acknowledged that she executed the foregoing instrument.



Notary Public



My Commission Expires: 12-11-2002

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1 A parcel of land situated in the N 1/2 NE 1/4 of Section
2 31 and NW 1/4 NW 1/4 of Section 32, Township 1 North,
3 Range 69 East, MDP&M, Lincoln County, Nevada; being more
4 particularly described as follows:
5 Beginning at the North 1/4 Corner of said Section 31;
6 Thence South 88°56'17" East along the North boundary of
7 said Section 31 a distance of 2636.56 feet to the Section
8 Corner common to Sections 29, 30, 31, and 32 being the
9 North East Corner of said Section 31;
10 Thence South 89°52'38" East along the North boundary of
11 said Section 32 a distance of 1313.17 feet to the North
12 East Corner of said NW 1/4 NW 1/4;
13 Thence South 00°27'56" West along the East boundary of
14 said NW 1/4 NW 1/4 a distance of 637.89 feet to a point
15 in the centerline of a flood channel;
16 Thence Southwesterly along said flood channel;
17 South 60°36'00" West a distance of 64.07 feet;
18 South 88°41'01" West a distance of 524.76 feet;
19 North 75°41'57" West a distance of 410.17 feet;
20 South 78°18'27" West a distance of 143.26 feet;
21 South 49°34'40" West a distance of 445.08 feet;
22 South 68°44'52" West a distance of 620.31 feet;
23 South 46°40'04" West a distance of 442.28 feet;
24 North 88°39'11" West a distance of 193.56 feet to a point
25 on the West boundary of the SE 1/4 NE 1/4 of said Section
26 31;
Thence North 00°26'14" East along said West boundary a
distance of 200.30 feet to the North West Corner of said
SE1/4 NE1/4 of Section 31;
Thence North 89°05'38" West along the South boundary of
the NW1/4 NE1/4 of said Section 31 a distance of 1318.08
feet to the South West Corner of said NE1/4 NE1/4;
Thence North 00°25'47" East along the West boundary of
said NW1/4 NE1/4 a distance of 1301.16 feet to the said
North 1/4 Corner of Section 31 and point of beginning.

EXHIBIT "A"

Together with the State of Nevada Water Certificate
Application No. 39271, Certificate No. 13501

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COOPER

NO. 116469
FILED AND RECORDED AT REQUEST OF
COW COUNTY TITLE
JUNE 13, 2001
AT 10 MINUTES PAST 04 O'CLOCK
PM IN BOOK 155 OF OFFICIAL
RECORDS PAGE 517
COUNTY RECORDER
LESLIE BOUCHER
COUNTY RECORDER
BY Cherita Acerra DEPUTY