

Byron L. Stubbs  
341 So Main SLC UT 84111  
Suite 409  
328-4207

R 72307

LEASE AGREEMENT

This Lease Agreement, made and entered into on the 5<sup>th</sup> day of May, 1993, by and between Lazy "B" Land and Cattle Company, a Utah Partnership, Douglas D. Bangerter, Kent Bangerter, and Kevin Bangerter of the city of Bountiful, County of Davis, State of Utah, (herein referred to collectively as Lessee), and Lee John Pierce, Donald Pierce and Keith Pierce (herein referred to collectively as "Lessor").

In consideration of the mutual covenants contained in this Lease Agreement, the parties agree as follows:

1. **Description of the premises.** Upon the terms and conditions specified in this Lease Agreement, Lessor leases to Lessee, to be used for grazing and related purposes, the following described real property referred to as the spring, summer and fall range and being more particularly described as follows:

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ALAN SPRIGGS, SUMMIT COUNTY RECORDER  
1995 DEC 01 10:52 AM FEE \$36.00 BY MAT  
REQUEST: BYRON L STUBBS

REAL PROPERTY

The North half of the Southeast Quarter (N1/2SE1/4); the Southwest Quarter of the Southwest Quarter (SW1/4SW1/4); the Northeast Quarter of the Southwest Quarter (NE1/4SW1/4) of Section Fifteen (15), Township Thirteen (13) North, Range One Hundred Nineteen (119) West of the Sixth Principal Meridian and the Northwest Quarter of the Southwest Quarter (NW1/4SW1/4) of said Section 15, Township 13 North, Range 119 West of the Sixth Principal Meridian, excepting therefrom that Fractional part of said Northwest Quarter of the Southwest Quarter which lies West and North of what is generally known as the Hilliard Road -- said excepted tract being more particularly described as follows, to wit: Commencing at the Northwest Corner of the Southwest Quarter of said Section Fifteen (15) and running thence South along the West line of said Section Fifteen (15) One Thousand Three Hundred Twenty (1,320) feet; thence in a Northeasterly direction on a straight line across the Northwest Quarter of the Southwest Quarter of said Section fifteen (15) to a point on the North line of said Northwest Quarter of the Southwest Quarter of said Section 15 which is Four Hundred Ninety-four (494) feet East of the Northwest corner of the Southwest Quarter of said Section 15 and running thence West Four Hundred Ninety-four (494) feet along the North line of said Northwest corner of the Southwest Quarter of

said Section 15 which is the place of beginning, together with all the water rights, water ditches and canal rights and rights of way appurtenant unto or used in connection with all the above-described land whether evidenced by shares of stock in an incorporated company or otherwise; also a right to the use of the Hilliard Flat East Fork Canal for the irrigation of the above-described land.

AND

The Southwest Quarter of the Northeast Quarter (SW1/4NE1/4) and the Southeast Quarter of the Northwest Quarter (SE1/4NW1/4), and the West Half of the Northwest Quarter (W1/2NW1/4), and the West Half of the Northwest Quarter (W1/2NW1/4) of Section Fourteen (14), in Township Thirteen (13) North of Range One Hundred Nineteen (119) West of the Sixty Principal Meridian, Wyoming, containing one hundred and sixty (160) acres, together with all water rights, water appropriations, ditch and canal rights, and rights of way appurtenance thereunto or used in connection therewith.

AND

All of the Northeast Quarter (NE1/4) of Section Fifteen (15), Township Thirteen (13) North, Range One Hundred Nineteen (119) West of the Sixth Principal Meridian.

ALSO

A fractional part of the Northwest Quarter (NW1/4) of Section Fifteen (15), Township Thirteen (13) North, Range One Hundred Nineteen (119) West of the Sixth Principal Meridian, more particularly described as follows: Beginning at a point on the North line of said Section, which is Fourteen Hundred Forty-three (1443) feet East of the Northwest Corner of said Section, and running thence East, Eleven Hundred Ninety-seven (1197) feet to the Northeast corner of the Northwest Quarter (NE Cor NW1/4) of said Section; running thence South, Twenty-six Hundred Forty (2640) feet to the Southeast Corner of the Northwest Quarter (SE Cor NW1/4); and running thence West Twenty-one Hundred Forty-six (2146) feet; and running thence Northeasterly Twenty-seven Hundred Thirty (2730) feet, more or less, to the point of beginning; containing 101 acres more or less.

Together with all water, water rights, ditch and canal rights and rights of way appertaining thereunto or used in connection therewith.

AND

246

00443501 Bk00928 Pg00182

The following described tracts of land in Summit County, State of Utah:

T. 3 N. R. 10 E., Salt Lake Base and Meridian:

Section 35: All. Containing 640 acres.  
Section 36: W1/2W1/2, containing 160 acres.

T. 2 N. R. 10 E. Salt Lake Base and Meridian:

Section 2: All, excepting therefrom part of the W1/2 of said Section 2 described as follows: Commencing at the S1/4 section corner of said section and running thence West 40 chains, thence North 80 chains more or less to the Northwest corner of Section 2; thence Southeasterly to the point of beginning, said excepted portion containing 160 acres more or less.

Section 11: Beginning at the North Quarter Section corner of Section 11, thence East 40 chains, thence South 40 chains, thence West 20 chains, thence North 20 chains, thence West 10 chains, thence Northwesterly 22 chains more or less to the point of beginning containing 110 acres.

Together with all improvements, appurtenances, hereditaments, water, water rights, ditches, ditch rights, and all other things thereunto belonging or in anyway appertaining.

Subject, however, to all reservations, restrictions, easements and rights-of-way now of record affecting said lands above described.

PERSONAL PROPERTY

108 Shares, Upper Bear River & Mill Creek Water Users Association.

Hilliard East Fork Canal Co.:

26.98 shares (Class A)  
31.04 shares (Class B)  
23.04 shares (Class C)

00443501 Bk00928 Pg00183

2. **Term.** The term of this Lease Agreement shall be for ten (10) years beginning on the 6th day of May, 1993, and ending on the 5th day of May, 2003.

3. **Rent.** The total rent for the term shall be determined as follows:

(a) Lessee agrees to pay Lessor as follows: Fourteen dollars and fifty cents (\$14.50) per each AUM pair per month for each grazing season hereafter covered by this Lease Agreement.

(i) The parties further understand and agree that the Lessee shall pay the sum of fourteen dollars and fifty cents (\$14.50) per AUM per month for each bull placed on the property covered by this Lease Agreement during the term hereof.

(ii) Lessee further agrees to pay the sum of ten dollars (\$10.00) per AUM per month for each dry cow or heifer placed on said property by the Lessee during the term of this Lease Agreement.

(b) It is estimated that the grazing season on the Utah land will last for **approximately** a three (3) to four (4)-month period and the Wyoming property will supplement such period for **approximately** two (2) additional months by including **approximately** a one (1)-month period of grazing on the Wyoming property in the spring prior to going onto the summer range in Utah, and **approximately** a one (1)-month period of grazing on the Wyoming property in the fall, after leaving the summer range in Utah at the end of the season. It is understood by and between the parties that the summer grazing season on the Utah property continues from **about** the first day of July through the end of October.

00443501 Bk00928 Pg00184

(i) The parties understand and agree that neither of them can predict or guarantee the length of any one grazing season covered hereby and said parties acknowledge that the dates set forth in paragraph 3(a) and (b) above are merely the best estimates of the parties based on past experience. The annual grazing season in any particular year may vary

considerably from year to year. By reason thereof, the parties agree the weather during any grazing season shall determine the length of the grazing season each year.

(ii) Lessor agrees to feed, care, and be responsible for any and all of Lessee's livestock covered by this Lease Agreement in the event of incimate weather, whether the stock are on either the Utah or the Wyoming range.

(iii) Lessee agrees to provide salt at Lessee's own cost and expense for its livestock on both the Utah and Wyoming ranges.

(c) During the first one (1)-year period of the Lease Agreement, Lessee shall be entitled to run a minimum of 125 pair plus six (6) bulls on the property covered by this Lease Agreement and said Lessee agrees to pay rent in the amount of eleven thousand three hundred ninety-seven dollars (\$11,397.00) per annum (131 AUM x \$14.50 = \$1,899.50 per month x 6 months = \$11,397.00) per annum plus any dry cows pastured at the rate of ten dollars (\$10.00) per AUM per month. The payments required to be made during the last nine (9) years of said Lease Agreement shall be a minimum of thirteen thousand five hundred seventy-two dollars (\$13,572.00) for the season plus any dry cows pastured at the rate of ten dollars (\$10.00) per AUM per month (156 AUM x \$14.50 = \$2,662.00 per month x 6 months = \$13,572.00), and a maximum of fifteen thousand seven hundred forty-seven dollars (\$15,747.00) plus any dry cows pastured at the rate of ten dollars (\$10.00) per AUM per month (181 AUM x \$14.50 = \$2,624.50 per month x 6 months \$15,747.00).

00443501 Bk00928 Pg00185

(d) Lessor agrees to provide Lazy "B," as part of the Lease Agreement, with a cowboy as needed to care for the stock. Lessor further agrees to keep all fences on the property in good repair during said ten (10)-year Lease Agreement

period. and to irrigate the property as necessary. The cowboy, the fence repair, and irrigation shall be furnished at the expense of Lessor. Lessor shall be entitled to all crops raised and/or harvested from the farm operation during said ten (10)-year Lease Agreement period.

(e) The parties agree that Lessor shall be entitled to remove timber from the property located in the state of Utah, Summit County, but the removal thereof shall not interfere with the lease operation on said property by Lessee, nor shall the removal of timber by Lessor impair the value of the ground for grazing purposes.

4. **Water rights.** Water for grazing operations obtained by Lessee under Lessor's water rights shall be used only on the demised premises and in the pursuit and performance of Lessee's operations and obligations under this Lease Agreement.

(a) No water shall be used upon or be exported to other lands without the prior, express, written consent of Lessor.

(b) Lessor assumes no responsibility to Lessee for any water shortage from the source or sources of water under Lessor's water rights, or from any source whatsoever; nor does Lessor warrant the quality or quantity of water obtained from any source or sources.

(c) Lessor shall pay all acquisition, operation and maintenance, repair, diversion and diversion costs and charges and/or water tolls connected with the use of water used on the grazing land for whatever purpose or purposes.

(d) Lessor shall also pay all taxes and assessments properly levied on the demised premises.

00443501 Bk00928 Pg00186

5. **Lessor/Lessee right of entry.** Lessor and Lessee reserve the right, during the term of this Lease Agreement, to enter upon the demised premises, at any time or times for the purpose of inspection, consultation with each other, making repairs or

improvements, posting notices, and for all other lawful purposes whatsoever, including timber harvest as provided for herein.

6. **Liability Insurance.** Lessor agrees that during the term of this Lease Agreement, and all extensions of this Agreement, to cover said leased premises with liability insurance in the minimum amount of one million dollars (\$1,000,000.00) and to name Lessee as a loss payee on said liability policy.

7. **Assignment or subletting.** Lessee shall not assign this Lease Agreement, or any interest therein, nor sublet the demised premises, or any part thereof, without Lessor's prior written consent.

8. **Waiver by Lessor of breach by Lessee.** The waiver by Lessor of a breach of any covenant or condition in this Lease Agreement shall not constitute a waiver of such covenant or condition, nor a waiver of a future breach of the same or any other covenant or condition of this Lease Agreement. The acceptance of rent by Lessor, with or without knowledge of a previous breach, shall not be deemed a waiver of a previous breach or breaches by Lessee of any covenant or condition contained in this Lease Agreement other than the one for which payment is so accepted.

9. **Lessor's remedies on default by Lessee.** Lessee agrees that in the event it should be in default of the performance of any of the terms, covenants, or conditions of this Lease Agreement, or have otherwise breached this Lease Agreement, Lessor may, in addition to every remedy now or hereafter available at law or in equity, have the rights and remedies set forth in this Lease Agreement, which shall be deemed cumulative and not exclusive of those available at law or in equity.

00443501 Bk00928 Pg00187

(a) Lessor shall have the right to reenter the demised premises without effecting thereby the termination of this Lease Agreement, by giving Lessee written lawful notice of such intention. Lessor, either before or after reentry, may notify Lessee, if Lessee can be located, that Lessor elects to terminate this Lease

Agreement, or, that Lessor elects to relet the demised premises on Lessee's account under terms and conditions provided below. If Lessee cannot with reasonable diligence be located within thirty (30) days after abandonment of the demised premises, Lessor may make the election without notice to Lessee, or by such substituted notice as the law shall provide or allow.

(b) Lessor shall have the right to remove all property and persons from the premises; and the right to store in public warehouse at Lessee's expense all property so removed. At Lessor's election, Lessor shall terminate this Lease Agreement, or, without terminating it, relet the demised premises or any part of the demised premises upon such terms and conditions, and at such rental as to Lessor may seem advisable. The term of such reletting may be for a term beyond the term of this Lease Agreement.

(c) Upon such reletting, Lessor may elect: (1) to hold Lessee immediately liable for, (a) the amount by which the rent reserved in this Lease Agreement for the period of reletting, not exceeding the term of this Lease Agreement, exceeds the amount agreed to by the new Lessee, or Lessees, to be paid as rent for the relet premises, and (b) all indebtedness due under this Lease Agreement; or, (2) to apply the periodic rents received by Lessor (a) to any indebtedness, other than rent, due from Lessee to Lessor; (b) second, to the payment of rent due under this Lease Agreement as it shall become due and payable.

00443501 Bk00928 Pg00188

(d) If the rent payments due from the reletting of the demised premises are not paid at the time they become due and payable by the tenant holding under the reletting, or are, for any reason, insufficient to pay the rent due under this Lease Agreement, Lessee shall immediately pay to Lessor the total deficiency ascertained to be due under the provisions of (1) above; or, pay to Lessor the



deficiency for the period in which it occurs, under the provisions of (2) above.

10. **Binding effect.** The terms, covenants, and conditions contained in this Lease Agreement shall, subject to the provisions with respect to assignment and subletting, apply to and bind the heirs, successors, executors, administrators, and assigns of the parties. All such parties, including Lessor and Lessee, shall be jointly and severally liable under the Lease Agreement's terms, covenants, and conditions.

11. **Time of essence.** It is specifically declared that time is of the essence of this Lease Agreement.

12. **Governing law.** It is agreed that this Lease Agreement shall be governed by, construed, and enforced in accordance with the laws of the state of Utah.

13. **Attorney fees.** In the event that any action is filed in reaction to this Lease Agreement, the unsuccessful party in the action shall pay to the successful party, in addition to all the sums that either party may be called on to pay, a reasonable sum for the successful party's attorney fees.

14. **Entire agreement.** This Lease Agreement shall constitute the entire agreement between the parties. Any prior understanding or representation of any kind preceding the date of this Lease Agreement shall not be binding upon either party except to the extent incorporated in this Lease Agreement.

15. **Modification of agreement.** Any modification of this Lease Agreement or additional obligation assumed by either party in connection with this agreement shall be binding only if evidenced in a writing signed by each party or an authorized representative of each party.

00443501 Bk00928 Pg00189

16. **Counterpart.** This Lease Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument.

17. **Paragraph headings.** The titles to the paragraphs of this Lease Agreement

are solely for the convenience of the parties and shall not be used to explain, modify, simplify, or aid in the interpretation of the provisions of this Lease Agreement.

In witness whereof, each party to this Lease Agreement has caused it to be executed on the date indicated hereinabove.

Lee J. Pierce  
LEE JOHN PIERCE

Donald Pierce  
DONALD PIERCE

Keith A. Pierce  
KEITH PIERCE

LAZY "B" LAND AND CATTLE COMPANY

Kent D. Bangert  
BY DOUGLAS D. BANGERTER

Kent D. Bangert  
KENT BANGERTER

Kent D. Bangert  
DOUGLAS D. BANGERTER

by Kent D. Bangert  
Kevin Bangert  
KEVIN BANGERTER

Tr. v. No. R22307 Book 6-54  
Recorded No. 20-25 at 4:22 p.m. Page 245  
BY LYNN D. FOX, LINN COUNTY CLERK  
Fee 2.00 by [Signature]  
Abstract  Recorded

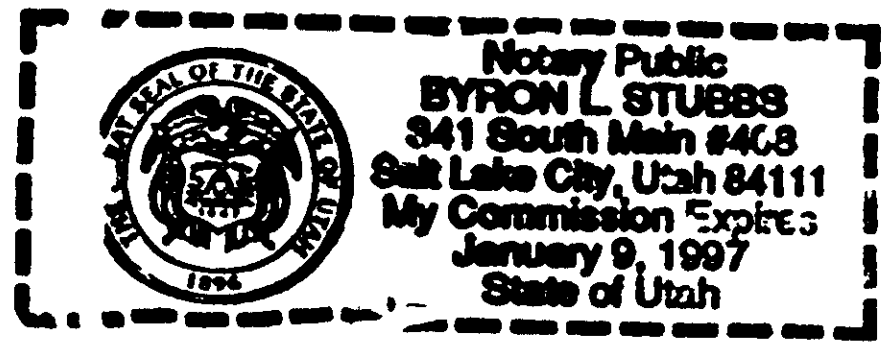
00443501 Bk00928 Pg00190

254

STATE OF UTAH            )  
                                  :SS  
COUNTY OF SALT LAKE )

On the 11th day of August, 1993, personally appeared before me Lee John Pierce,  
Donald Pierce, Keith A. Pierce, Kent D. Bangerter for and in behalf of Lazy "B" Land and Cattle  
Company, Kent D. Bangerter individually, and Kevin Bangerter, who signed the foregoing lease  
agreement before me.

DATED this 20th day of October, 1995.



  
NOTARY PUBLIC