

**ROOSEVELT CITY
CLASS "K-2" WATER SHARES LEASE AGREEMENT**

This Agreement entered into this **26th** day of **February, 2014**, by and between Roosevelt City Corporation, a municipality of the State of Utah, located In Duchesne County, located at 255 South State Street, Roosevelt, Utah, hereinafter referred to as "CITY" and Robert and Judy Hamblin, residing at Rt. 1 Box 1427, Roosevelt, Utah, Duchesne County, State of Utah, hereinafter referred to as HAMBLIN'S.

WHEREAS: CITY owns shares of Class "K-2" water; and,

WHEREAS: CITY is desirous of utilizing these shares of water to the best advantage; and,

WHEREAS: HAMBLIN'S, is desirous of leasing these excess shares of Class "K-2" water owned by CITY; and,

WHEREAS: CITY is willing to allow HAMBLIN'S to lease these shares of Class "K-2" water.

NOW THEREFORE: Pursuant to the following terms and conditions, the CITY and HAMBLIN'S enter into this agreement for the purpose of allowing HAMBLIN'S to use TWENTY (20) shares of Class "K-2" water owned by CITY for a period of four (4) years commencing with the 2014 irrigation season.

DUTIES OF HAMBLIN'S

1. **Lease Price:** HAMBLIN'S agrees to lease Twenty (20) shares of Class "K-2" water from CITY for a period of four years commencing with the 2014 irrigation season.
2. **Payment of Assessments:** HAMBLIN'S agrees to pay the full amount of the Spring assessment from Dry Gulch Irrigation, payable to Roosevelt City, no later than the Dry Gulch Irrigation due date. At the end of each irrigation season, HAMBLIN'S agrees to pay the Fall assessment from Dry Gulch Irrigation payable to Roosevelt City no later than the Dry Gulch Irrigation due date. It will be the responsibility of HAMBLIN'S to contact Dry Gulch Irrigation to determine the Dry Gulch Irrigation due date.
3. **Payment of Additional Fees:** HAMBLIN'S agree to pay the bid amount of Eight (\$8.01) and 01/100 Dollars per share annually for a total of **One Hundred Sixty and 20/100 (\$160.20) Dollars** payable to Roosevelt City and due at the same time as the Spring and Fall Dry Gulch Irrigation assessments. Roosevelt City will send an invoice for one half the annual amount of **Eighty and 10/100 (\$80.10) Dollars** prior to the Dry Gulch Irrigation assessment due date.
4. **Finance Terms:** HAMBLINS agree to pay to CITY the amount of the pro-rated assessment based on the actual use by HAMBLINS of the K-2 shares which will be determined at the end of the irrigation season.

5. **Provide Water to Golf Course:** HAMBLINS agree to relinquish any K-2 water for use at the Roosevelt Municipal Golf Course upon seventy-two (72) hours notice from CITY.
6. **Guarantee of Water:** Because the water is on the "on call" system, HAMBLINS agree not to use more than one-fifth (1/5) of the shares of K-2 water during any thirty (30) day period during the season unless the one-fifth (1/5) is not used during a specific month, in which case it may accumulate and be used in another month. Failure to comply with this one-fifth (1/5) monthly formula will cause this agreement to become invalid.

DUTIES OF CITY

1. CITY agrees to lease to HAMBLIN'S Twenty (20) shares of Class "K-2" water for a period of four (4) years commencing with the 2014 irrigation season and make them available to HAMBLIN'S upon delivery by Dry Gulch Irrigation.
2. CITY agrees to pay the spring assessment and fall assessment to Dry Gulch Irrigation Company.
3. In the event CITY needs to use these K-2 shares

This agreement shall be for the term of four (4) years commencing with the 2014 irrigation season.

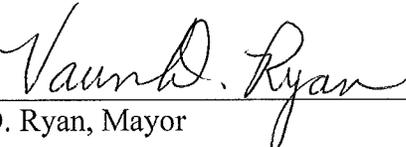
IN WITNESS WHEREOF, the parties have executed this Lease Agreement the day and year first above written.

LESSOR:

LESSEE:

CITY OF ROOSEVELT:

HAMBLIN'S

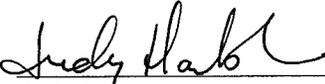


 Vaun D. Ryan, Mayor



 Robert Hamblin

ATTEST:



 Judy Hamblin



 Carolyn Wilcken, City Recorder

WITNESS:

