

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

This Agreement entered into this **24th** 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 Mark Mecham, residing at 3521 West 2500 North, Roosevelt, Utah, Duchesne County, State of Utah, hereinafter referred to as MECHAM.

**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:** BOREN, is desirous of leasing excess shares of Class "K-2" water owned by CITY; and,

**WHEREAS:** CITY is willing to allow MECHAM to lease shares of Class "K-2" water.

**NOW THEREFORE:** Pursuant to the following terms and conditions, the CITY and MECHAM enter into this agreement for the purpose of allowing MECHAM to use SIXTY-THREE (63) shares of Class "K-2" water owned by CITY for a period of four (4) years commencing with the 2014 irrigation season.

**DUTIES OF MECHAM**

- 1. Lease Price:** MECHAM agrees to lease Sixty-three (63) shares of Class "K-2" water from CITY for a period of four years commencing with the 2014 irrigation season.
- 2. Payment of Assessments:** MECHAM 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, MECHAM 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 MECHAM to contact Dry Gulch Irrigation to determine the Dry Gulch Irrigation due date.
- 3. Payment of Additional Fees:** MECHAM agrees to pay the bid amount of Thirty-two and 50/100 (\$32.50) Dollars per share annually for a total of **Two Thousand Forty-seven and 50/100 (\$2,047.50) 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 **One Thousand Twenty-three and 75/100 (\$1,023.75) Dollars** prior to the Dry Gulch Irrigation assessment due date.
- 4. Finance Terms:** MECHAM agrees to pay to CITY the amount of the pro-rated assessment based on the actual use by MECHAM of the K-2 shares which will be determined at the end of the irrigation season.

5. **Provide Water to Golf Course:** MECHAM agrees 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, MECHAM agrees 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.

**DUTIES OF CITY**

1. CITY agrees to lease to MECHAM Sixty-three (63) shares of Class "K-2" water for a period of four (4) years commencing with the 2014 irrigation season and make them available to MECHAM 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, MECHAM will be given a seventy-two (72) hour notice.

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

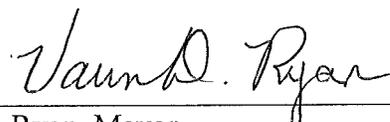
IN WITNESS WHEREOF, the parties have executed this Lease Agreement the day and year first above written.

LESSOR:

LESSEE:

CITY OF ROOSEVELT:

MECHAM

  
 \_\_\_\_\_  
 Vaun D. Ryan, Mayor

  
 \_\_\_\_\_  
 Mark Mecham

ATTEST:

WITNESS:

  
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 Carolyn Wilcken, City Recorder

  
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