

WATER RIGHTS LEASE AGREEMENT

This Water Rights Lease Agreement ("Agreement") is made and entered into on 2024-11-22 by and between Frank Jones ("Lessor") and Molly Doe ("Lessee").

RECITALS

WHEREAS, Lessor owns water rights in Utah, as described in Exhibit A;

WHEREAS, Lessee wants to lease these water rights for beneficial use; and

WHEREAS, Lessor agrees to lease the water rights to Lessee under the terms below.

AGREEMENT

The parties agree as follows:

1. Lease of Water Rights: Lessor leases the water rights to Lessee for the term of this agreement.

2. Term

The term of this lease shall be for a period of 12 months, starting on July 1st and ending on June 30th, unless terminated earlier as provided herein. This agreement may be renewed if both parties agree in writing.

3. Payment

Lessee will pay Lessor \$133 for 80 shares. Payment is due by 2024-11-22 annually, based on actual water use reported to the Utah Division of Water Rights.

4. Use of Water Rights

Lessee can only use the water for all as allowed by Utah law and the water rights description in Exhibit A. Lessee may not change how or where the water is used without Lessor's written permission and following the applicable legal requirements.

5. Legal Compliance

Lessee must follow all federal, state, and local laws about using these water rights.

6. Ownership

Lessor keeps full ownership of the water rights. This agreement only gives Lessee the right to use the water, not own it. Lessee shall not take any action that may impair or encumber Lessor's ownership of the Water Rights.

7. Maintaining Water Rights

Lessor will file necessary reports with the Utah Division of Water Rights to keep the water rights valid. Lessee will assist by providing any necessary information.

8. Change Application

Before Lessee can use the water, Lessor must file and get approval for a change application with the Utah State Engineer. The change application will allow the water rights to be used as described in Section 4. Lessee will help with this process and reimburse Lessor for all costs associated with the preparation, filing, prosecution, and any appeals of the change application.

9. Default and Termination

Either party may terminate this agreement with 30 days' written notice if the other party breaches any term of this Agreement and fails to remedy said breach within the 30-day notice period. Upon termination, Lessee shall immediately stop use of the water rights.

10. Transfer

Neither party may transfer their rights or duties under this agreement without the other party's written permission.

11. Disputes

In the event there is a legal dispute about this agreement, the winning party can recover reasonable attorney fees from the losing party.

12. Indemnification

Lessee shall indemnify, defend, and hold harmless Lessor from and against any and all claims, damages, liabilities, and expenses arising out of or resulting from Lessee's use of the Water Rights.

13. Force Majeure

Neither party shall be liable for any delay or failure to perform its obligations under this agreement due to causes beyond its reasonable control, including but not limited to acts of God, natural disasters, or government actions.

14. Utah Law

This agreement follows and will be interpreted according to Utah law.

15. Complete Agreement

This document is the entire agreement between the parties about leasing these water rights.

Signed by:

LESSOR: Frank Jones

LESSEE: Molly Doe

