

LEASE AGREEMENT

This Lease Agreement is made by and between the LONESOME COUNTRY LC, a Wyoming limited liability company, hereinafter for convenience referred to as the Lessor, and, MULE SHOE RANCH, INC., a Wyoming corporation, hereinafter for convenience referred to as Lessee.

The Lessor hereby lets unto the Lessee, and the Lessee hereby hires from the Lessor, that certain real property situate in Township 56 and 57 and Range 62 and 63 West of the Sixth Principal Meridian, in Crook County, Wyoming, consisting of 6,335 acres, more or less, FOR GRAZING AND AGRICULTURAL PURPOSES ONLY, hereinafter for convenience referred to as the Leased Premises.

In consideration of this Lease Agreement, the parties hereby covenant and agree as follows:

1. Term. The term of this Lease Agreement shall be for three (3) years, during the summer grazing period of calendar years 2018, 2019, and 2020. The lease term shall commence on the first day of May of each year, and shall terminate on the thirty-first day of October of each year. The commencement date and the termination date shall be determined by the elements of the weather, the growing conditions, and the amount of forage available on the leased premises.

2. Rental. The Lessee shall pay to the Lessor for the use and possession of the Leased Premises the sum of \$30.00 in 2018 grazing period, the sum of \$30.00 in 2019, and \$30.00 in 2020, for each animal unit month during the summer grazing period. An animal unit month for the purposes of this Lease Agreement is described as follows:

- a. Cow, with or without unweaned calf at side, or heifer 2 years old or older 1.0 AUM
- b. Bull, 2 years old or older 1.3 AUM
- c. Young cattle, between 1 and 2 years 0.8 AUM
- d. Weaned calves up to 1 year 0.6 AUM



The number of animal unit months for the summer grazing period for each year shall be 375 per month, or 2,250 for the six month summer grazing season.

The minimal rental to be paid by the Lessee during the summer grazing season of calendar year 2018 shall be in the amount of \$67,500.00 which sum is calculated at the rate of \$30.00 for the summer grazing period for calendar year 2019 for 375 animal unit months, for six (6) months, consisting of cows or cow and calf pairs. The minimal rental to be paid in calendar year 2019 shall be in the amount of \$67,500.00. The minimal rental to be paid in calendar year 2020 shall be in the amount of \$67,500.00.

The minimal rental also includes the rental for the bulls which the Lessee may bring upon the leased premises during the term of this lease agreement. The minimal rental shall not be increased for the number of animal unit months for the bulls brought upon the Leased Premises.

The minimal rental for 2018 shall be paid as follows: \$11,250.00 on the first day of March, and \$11,250.00 each on the first days of June, July, August, September, and October. The minimal monthly rental for 2019 shall be \$11,250.00, payable on the dates hereinbefore set forth. The minimal rental for 2020 shall be \$11,250.00, payable on the dates hereinbefore set forth. These minimal payments shall be increased accordingly to reflect the number of bulls which are brought upon the Leased Premises by the Lessee.

The maximum number of animals which the Lessee may place upon the Leased Premises during the term of this Lease Agreement shall be 375 animal units. The Lessee may exceed the maximum number of animal unit months only in the event the growing conditions and the amount of forage upon the Leased Premises permit the Lessee to exceed the maximum number of 375 animals, and then only in the amount which the Lessor shall consent to in writing.

3. Husbandry. The Lessee hereby agrees to keep and maintain the Leased Premises in good order and agrees to operate the Leased Premises in an efficient and husbandlike manner which will preserve and conserve the Leased Premises. The Lessee further agrees that the Leased Premises will not be caused to be stocked with an overabundance of livestock nor cause the Leased Premises to be over-grazed. The Lessee further agrees that no waste or damage shall be committed on or to the Leased Premises and that due care will be taken to prevent third parties from committing waste on, or damage to, the Leased Premises. The Lessee shall limit the number of livestock on the Leased Premises to approximately 375 animal units. The Lessee hereby specifically acknowledges and agrees that weather conditions beyond the control of the parties hereto may cause the term of this Lease Agreement to be reduced to a shorter period of time and, also, that these same weather conditions may require the number of animal units to be reduced from 375 animal units to a lesser number of animal units. In the event the

Lessee is required to reduce the number of animals upon the Leased Premises because of lack of forage or in the event the term of this Lease Agreement is shortened because of lack of forage, then, and in that event only, the minimum rental provided for herein shall be modified to the number of animals and the number of months which the Lessee actually used the Leased Premises.

4. Easement. The Lessor hereby reserves the right to use the roads on the Leased Premises as a means of ingress and egress to and from its properties, and the Lessor reserves for itself and its agents, representatives, invitees, lessees, and licensees to use the easement at any time and for any lawful purpose. The Lessee hereby grants to the Lessor, its agents, representatives, invitees, lessees, and licensees the right of ingress and egress the property of the Lessee. This easement extended by the Lessee to the Lessor may be used at any time and for any lawful purpose.

5. Governmental Controls. This Lease Agreement is hereby modified to the extent necessary to make it comply with any and all state and federal laws covering the Leased Premises, to comply with any and all valid orders and regulations issued pursuant to any federal or state laws governing or otherwise affecting the Leased Premises, and to comply with any and all contracts, mortgages, and other agreements which the Lessor may now have, or may have during the term of this Lease Agreement with any third party which may apply directly or indirectly to the Leased Premises.

6. Fences and Corrals. The Lessee shall be permitted to use the corrals of the Lessor, upon request, for the purpose of loading and unloading livestock, branding, sorting, doctoring, and other necessary handling of the livestock of the Lessee. The Lessee shall keep the fences on the Leased Premises in good repair. The Lessor shall provide the necessary material to keep the fences in good repair.

7. Minerals. The Lessor hereby reserves from the operation of this Agreement all of the minerals in and under the Leased Premises, or otherwise attached thereto, and the right to extract, or otherwise remove, any of such minerals from the Leased Premises, and such reservation is made for the benefit of the Lessor, its successors and assigns. Any and all moneys paid as the result of any minerals, or rights to minerals, or mining activity, on the Leased Premises, whether they be designated as royalties, rents, damages, or otherwise shall belong wholly to the Lessor.

8. Assignment. The Lessee hereby agrees that this Lease Agreement may not be encumbered, assigned, or otherwise transferred. The Lessee also agrees that the Leased Premises, or any part thereof, may not be sublet. Any encumbrance, assignment, or subletting whether it be voluntary or involuntary, by operation of law, or otherwise, is void and shall, at the option and election of the Lessor, terminate this Lease Agreement.

9. Damage. The Lessee agrees to pay to the Lessor reasonable compensation for any and all damages to the Leased Premises for which the Lessee is directly or indirectly responsible, except for ordinary wear and depreciation, and except for damages beyond the control of the Lessee.

10. Default. All covenants and agreements contained in this Lease Agreement are hereby declared to be conditions of this Lease Agreement and the terms of this Lease Agreement. In the event the Lessee should default in the performance of any covenant, condition, or agreement contained herein, the Lessor, at its option and election, may terminate this Lease Agreement and reenter and regain possession of the Leased Premises in the same manner then provided by the laws of the State of Wyoming then in force and effect. In the event either party shall refuse to perform their respective obligations under the terms of the Lease Agreement, then in that event, the other party may institute legal action, or other acceptable remedy, to enforce the terms of this Lease Agreement, and the prevailing party in such proceedings shall be entitled to recover reasonable and necessary costs incurred, including reasonable attorney's fees.

11. Vehicles. The Lessee shall not be permitted to use any of the motorized vehicles belonging to the Lessor, because of the Lessor's insurance policies on these motorized vehicles does not cover their use by the Lessee or of any of the agents, employees, or associates of the Lessee. The Lessor is unwilling to accept or assume any liability which may occur by the use of its motorized vehicles by the Lessee.

12. The Lessor has provided a fixed rental over the three year term of the Lease Agreement without any increase. In consideration of the fixed rental for this three year period, the Lessee hereby agrees to improve the reservoirs of the Lessor which are located upon the Leased Premises.

IN WITNESS WHEREOF the parties hereto, hereby have caused this Lease Agreement to be executed, intending to be bound thereby, on the _____ day of _____, 2018.

LESSOR: LONESOME COUNTRY LC
by _____
Manager

LESSEE: MULE SHOE RANCH, Inc.
by _____
President

