

LICENSE AGREEMENT

THIS LICENSE AGREEMENT (this "Agreement") is made as of June 8, 2017 by and between JARALOSA CATTLE COMPANY, LLC, an Arizona limited liability company ("Licensor"), and SIERRA MOUNTAIN RANCH PROPERTY OWNERS ASSOCIATION, an Arizona nonprofit corporation ("Licensee").

RECITALS

A. Licensor owns certain real property located in Apache County, Arizona, and legally described on Exhibit "A" attached hereto (the "Licensor Property").

B. Licensor also owns the existing well and related equipment located on the Licensor Property (the "Well"), and the storage tank used to store water from the Well (the "Main Tank").

C. Licensee is the property owners association for the real property located west of and adjacent to the Licensor Property (the "Licensee Property") and there is a community storage tank on the Licensee Property for the use of the members of Licensee (the "Community Tank").

D. Licensee has requested a license to use any overflow water released by Licensor from the Well to the Community Tank, and Licensor is willing to grant a license to Licensee for the use of such overflow water not used by Licensor, subject to the terms and conditions set forth herein.

AGREEMENT

1. Grant of License. Licensor hereby grants to Licensee a non-exclusive license to use any overflow water released by Licensee from the Well to the Community Tank, subject to the terms and conditions set forth in this Agreement (the "License"). Licensee shall have no right to use any water from the Well except for the overflow amounts released by Licensor to the Community Tank at such times and in such amounts as determined by Licensor in its sole discretion. Any overflow water used by Licensee pursuant to this Agreement shall be used for domestic purposes only by the members of Licensee and shall not be sold, transferred or assigned. Licensor makes no representation or warranty, express or implied, as to the availability, amount, condition or any other aspect of any overflow water that may be used by Licensee pursuant to this Agreement.

2. Use and Maintenance. Licensee shall comply with all applicable governmental laws, rules and regulations and all reasonable rules and regulations established from time to time by Licensor in connection with the rights and obligations of Licensee under this Agreement. Licensee shall not interfere with or disrupt Licensor's use of the Licensor Property, the Well or the Main Tank in exercising Licensee's rights or complying with its obligations under this Agreement. Licensee shall maintain, at Licensee's sole cost and expense, the Community Tank and all pipelines and related equipment for the flow of any excess water between the Well and the Community Tank in good, clean and safe condition and in compliance with all applicable governmental laws, rules and regulations. If Licensee fails to maintain such pipelines and

equipment in such condition, Licensor shall have the right, but not the obligation, to perform such maintenance and repair and charge the costs thereof to Licensee. Any such costs incurred by Licensor shall be immediately paid by Licensee upon demand and shall accrue interest at the rate of ten percent (10%) per annum if not paid within thirty (30) days after demand.

3. Term of License. The term of the License shall begin on the date of this Agreement and shall terminate on the earlier of (i) the date a new well is located within three (3) miles of the Licensee Property or an alternative source of water is available to Licensee, or (ii) the date that Licensee is terminated, dissolved or no longer functions as a property owners association (the "Term"). Upon the expiration of the Term as set forth above, the License shall automatically terminate and Licensee shall have no further rights under this Agreement. Licensor shall also have the right to terminate this Agreement if Licensee defaults or breaches any of its obligations under this Agreement and such default or breach is not cured within ten (10) days after notice thereof to Licensee.

4. Insurance and Indemnification. Licensee shall maintain in full force and effect at all times during the Term of the License comprehensive public liability insurance in amounts acceptable to Licensor and otherwise in form and content acceptable to Licensor. Licensee shall indemnify, defend and hold harmless Licensor and its partners, members, officers, agents, employees and contractors from and against any and all claims, liabilities, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or in any manner relating to the delivery or use of any water from the Main Tank by Licensee or its members. The foregoing indemnification shall survive the expiration or termination of the License granted in this Agreement.

5. Amendment. This Agreement may be amended only by written instrument signed by both Licensor and Licensee.

6. Notices. All notices required or permitted to be given hereunder shall be in writing and may be given in person or by United States mail, by delivery service or by email or other electronic transmission. Any notice directed to a party to this Agreement shall become effective upon the earliest of the following: (i) actual receipt by that party; (ii) delivery to the designated address of that party, addressed to that party; or (iii) if given by certified or registered United States mail, twenty-four (24) hours after deposit with the United States Postal Service, postage prepaid, addressed to that party at its designated address. The designated address of a party shall be as set forth below or such other address as that party, from time to time, may specify by notice to the other parties.

Licensor:

Jaralosa Cattle Company, LLC
2812 N. Norwalk, Suite 105
Mesa, AZ 85215
Attn: Mark Reeb
Email: markreeb@reebgroup.com

Licensee: Sierra Mountain Ranch Property Owners Association
5555 E. Van Buren, Suite 210
Phoenix, AZ 85008
Attn: Richard Schust
Email: rds@arizonaland.com

7. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Arizona.

8. Attorneys' Fees. In the event of any legal action or proceeding between Licensor and Licensee arising out of this Agreement, the prevailing party in such action or proceeding shall be entitled to recover from the other party all attorneys' fees and court costs incurred by the prevailing party in the action or proceeding.

9. Assignment. Licensee shall not assign, transfer or convey the License or its rights under this Agreement, in whole or in part, without Licensor's prior written consent, which may be withheld in Licensor's sole and absolute discretion, and any such purported assignment, transfer or conveyance without Licensor's consent shall be null and void.

10. Entire Agreement. This Agreement constitutes the entire agreement with respect to the subject matter hereof and supersedes any and all other prior arrangements, undertakings, statements or representations, either oral or in writing.

11. Severability. The provisions of this Agreement are severable, and if any provision or the application thereof is held to be invalid or unenforceable, the invalidity or enforceability thereof shall not be construed to effect any other provision or application.

12. No Waiver. Failure of any party to exercise any right, remedy or option arising out of a breach of this Agreement shall not be deemed a waiver of any right, remedy or option with respect to any subsequent or different breach or the continuance of any existing breach.

13. Counterparts. This Agreement may be executed in any number of counterparts, any of which may be delivered by email or other electronic transmission. Any set of identical counterparts containing the signatures of all parties shall be deemed to constitute one instrument, and each such set of counterparts shall be deemed an original.

14. Time of Essence. Time is hereby declared to be of the essence for the performance of all conditions and obligations under this Agreement. If the last day of any time period stated herein shall fall on a Saturday, Sunday, or legal holiday in the State of Arizona, then the duration of such time period shall be extended so that it shall end on the next succeeding day which is not a Saturday, Sunday, or legal holiday in the State of Arizona.

15. Headings. The captions and paragraph headings used in this Agreement are for convenience and reference only and are not intended to define, limit, or describe the scope or intent of any provision of this Agreement. When used herein, the terms "include" or "including" shall mean without limitation by reason of the enumeration. All grammatical usage herein shall

be deemed to refer to the masculine, feminine, neuter, singular, or plural as the identity of the person or persons may require. The term "person" shall include an individual, corporation, partnership, trust, estate, or any other entity.

16. Not a Public Dedication. Nothing contained in this Agreement shall be deemed to be an interest in real property or a gift or dedication of any portion of the Licensor Property, Well, or Main Tank to the general public or for any public purpose whatsoever, and this Agreement shall be strictly limited to and for the purposes expressed herein.

17. Authority. The individual signing this Agreement on behalf of Licensee hereby represents and warrants to Licensor that he or she has full power and authority to execute and deliver this Agreement on behalf of Licensee and the execution, delivery and performance of this Agreement have been duly authorized by all requisite action on the part of Licensee.

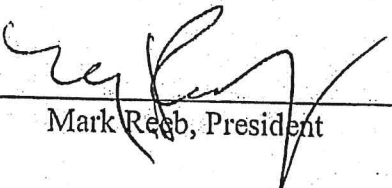
IN WITNESS WHEREOF, this Agreement is executed as of the date first indicated above.

LICENSOR:

JARALOSA CATTLE COMPANY, LLC, an
Arizona limited liability company

By: ORC, LLC, an Arizona limited liability
company, its Manager

By: The Reeb Group, Ltd., an Arizona
corporation, its Manager

By: 
Mark Reeb, President

LICENSEE:

SIERRA MOUNTAIN RANCH PROPERTY
OWNERS ASSOCIATION, an Arizona nonprofit
corporation

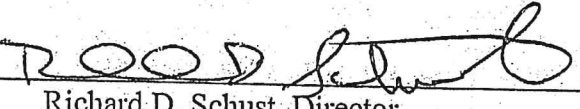
By: 
Richard D. Schust, Director

EXHIBIT "A"
Property Legal Description

Legal – Burns Well West Portion

A portion of the of Section 11, T17N, R30E, G. & S.R.B. & M., Apache County, Arizona, described as follows:

Commencing at the S.W. Corner of Section 11; Thence S $89^{\circ}17'44''$ E a distance of 656.32' to a point which is the true Point of Beginning;

Thence N $0^{\circ}07'01''$ W a distance of 665.96' to a point;

Thence S $89^{\circ}16'42''$ E a distance of 376.23' to a point;

Thence South a distance of 665.83' to a point;

Thence N $89^{\circ}17'44''$ W a distance of 374.87' to a point which is the Point of Beginning and having an area of 5.740 acres of land, more or less.

Legal Description – 40' Easement

A portion of the of Section 11, T17N, R30E, G. & S.R.B. & M., Apache County, Arizona, described as follows:

Commencing at the S.W. Corner of Section 11;

Thence S $89^{\circ}17'44''$ E a distance of 1031.19' to a point; Thence North a distance of 322.27' which is the true Point of Beginning;

Thence North a distance of 43.09' to a point;

Thence S $68^{\circ}10'36''$ E a distance of 163.51' to a point;

Thence East a distance of 76.14' to a point;

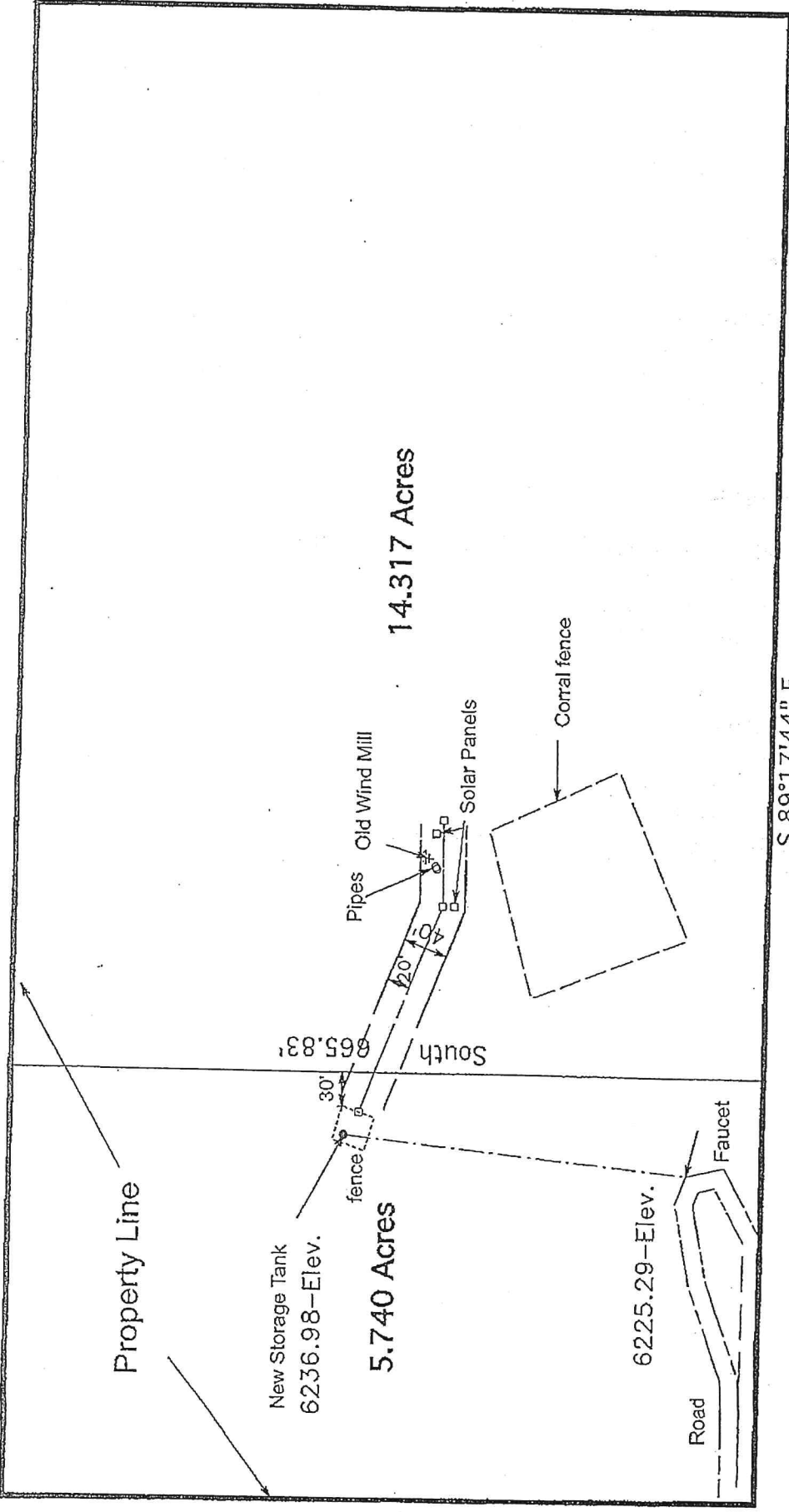
Thence South a distance of 40.00' to a point;

Thence West a distance of 83.86' to a point;

Thence N $68^{\circ}10'36''$ W a distance of 155.20' to a point which is the Point of Beginning and having an area of .220 acres of land, more or less.

Burns Well
Sec. 11, T17N, R30E

S 89°43'23" E



S 89°17'44" E
1312.64'

EXHIBIT "A"
Property Legal Description

Legal – Burns Well West Portion

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Thence S 89°16'42" E a distance of 376.23' to a point;
Thence South a distance of 665.83' to a point;
Thence N 89°17'44" W a distance of 374.87' to a point which is the Point of Beginning and having an area of **5.740 acres** of land, more or less.

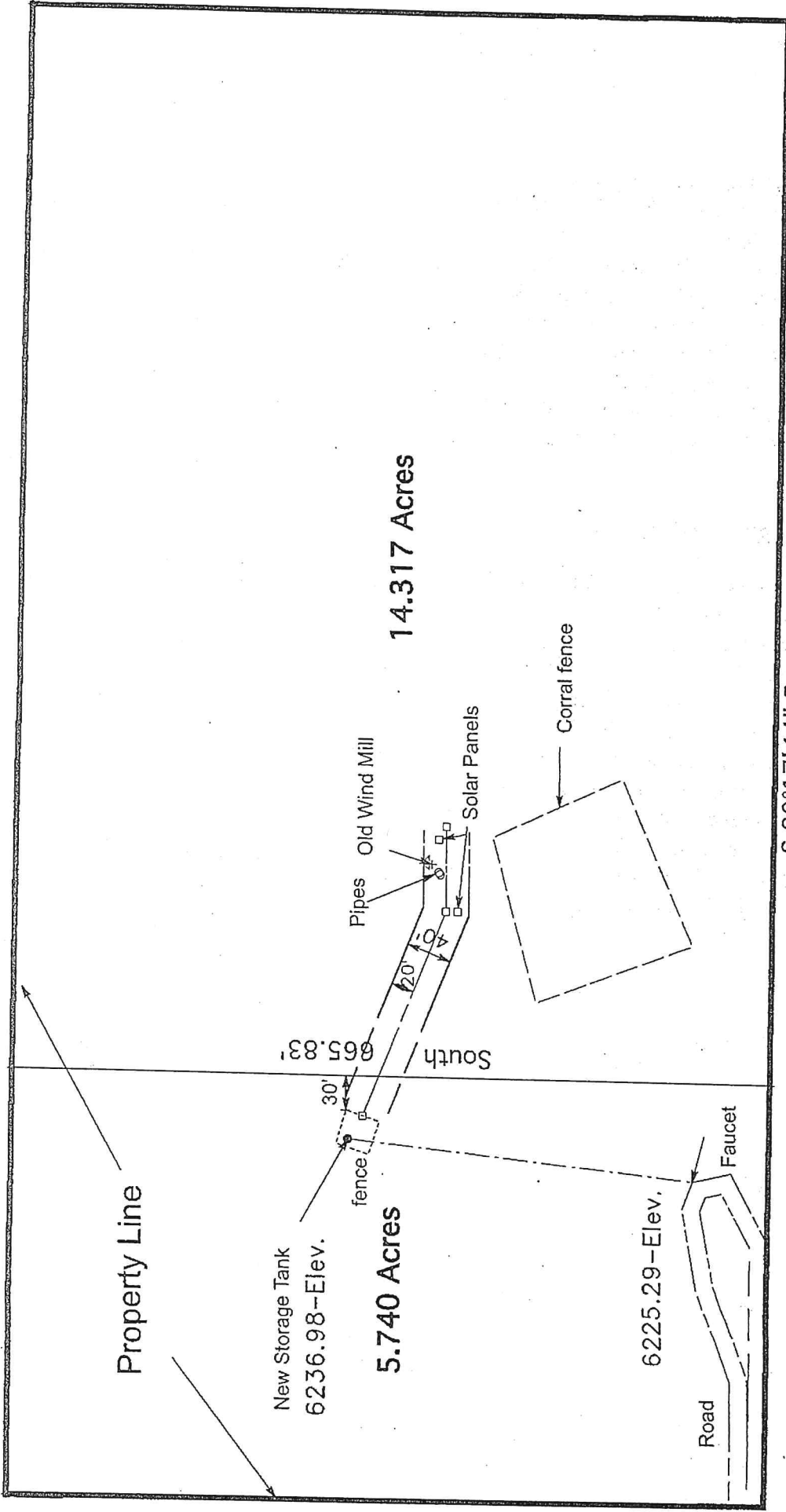
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Thence S 68°10'36" E a distance of 163.51' to a point;
Thence East a distance of 76.14' to a point;
Thence South a distance of 40.00' to a point;
Thence West a distance of 83.86' to a point;
Thence N 68°10'36" W a distance of 155.20' to a point which is the Point of Beginning and having an area of .220 acres of land, more or less.

Burns Well
EXHIBIT "A" Continued
Sec. 11, T17N, R30E

S 89°43'23" E



S 89°17'44" E
1312.64'

When recorded mail to:
Sierra Mountain Ranch POA
Attn: Richard D. Schust
6245 North 24th Parkway – Suite 205
Phoenix, AZ 85016

2017-003668
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OFFICIAL RECORDS OF APACHE COUNTY
EDISON J. WAUNKA, RECORDER
07-10-2017 03:55 PM Recording Fee \$15.00

SPECIAL WARRANTY DEED

For the consideration of TEN AND NO/100 DOLLARS, and other valuable considerations, **JARALSOA CATTLE COMPANY, LLC**, an Arizona limited liability company, the GRANTOR herein, does hereby convey to **SIERRA MOUNTAIN RANCH PROPERTY OWNERS ASSOCIATION**, an Arizona corporation, the GRANTEE, the following described real property situate in Apache County, Arizona:

**SEE EXHIBIT "A" FOR LEGAL DESCRIPTION ATTACHED HERETO
AND BY REFERENCE IS MADE A PART HEREOF**

EXEMPT FROM AFFIDAVIT PURSUANT TO A.R.S. 11-1134-(B)(2)


SUBJECT TO: Existing taxes, assessments, covenants, conditions, restrictions, rights of way and easements of record.

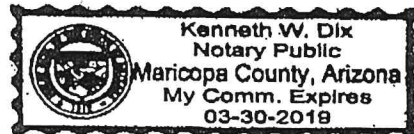
And the GRANTOR binds itself and its successors to warrant the title as against its acts and none other, subject to the matters above set forth.

IN WITNESS WHEREOF, JARALOSA CATTLE COMPANY, LLC, an Arizona limited liability company, has caused its official name to be executed by the undersigned manager.

DATED: April 11, 2017

JARALOSA CATTLE COMPANY, LLC
an Arizona limited liability company

BY: 
Richard D. Schust, Manager



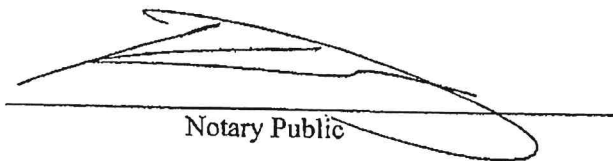
STATE OF ARIZONA)
) ss.
County of MARICOPA)

On this 12 Day of June 2017, before me, the undersigned Notary Public, personally appeared Richard D. Schust, Manager JARALOSA CATTLE COMPANY LLC, an Arizona Limited Liability Company, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

My Commission Expires:

3/30/2019


Notary Public

