

COVENANT NOT TO RE-GRAZE
Beacon Dual Use Allotment #1076

LUNDRGREN RANCH, L.L.C., a Utah limited liability company, EDWIN O. LARSON, and MARIE WOOD, Personal Representative of the Estate of Cleo Wood, deceased, pursuant to Letters Testamentary filed in Fifth Judicial District Court Probate No. 3616, Iron County, Utah (collectively the "Owner"), effective this 30th day of May, 2001, for the sum of Ninety-six Thousand and no/100s Dollars (\$96,000.00) the receipt of which is hereby acknowledged, hereby gives this Covenant Not to Re-graze to CLARK COUNTY, NEVADA, a governmental entity created pursuant to the laws of the State of Nevada (the "County").

RECITALS

- A. Owner has conveyed to the County all of Owner's right, title and interest in and to the preference rights and permits ("Preference Rights") for the Department of the Interior, Bureau of Land Management ("BLM") Grazing Allotment #1076, commonly known as Beacon which encompasses 41,110 acres, more or less, of BLM, land (the "Allotment"), and which allotment is more particularly described on Exhibit A, and depicted on Exhibit A-1, attached hereto and by this reference made a part hereof.
- B. Owner is the owner of the base property to which the Preference Rights were attached, which base property is more particularly described on Exhibit B, attached hereto and by this reference made a part hereof. ("Base Property").
- C. Owner has conveyed to the County all of Owner's right, title and interest in and to the range improvements located upon the Allotment, more particularly described on Exhibit C, attached hereto and by this reference made a part hereof. ("Range Improvements").
- D. The land covered by the Allotment is designated by the United States Fish and Wildlife Service as Critical Habitat for the Desert Tortoise.
- E. County is the administrator of a Habitat Conservation Plan ("HCP") developed to assist in the conservation of the Desert Tortoise. The HCP was developed pursuant to the provisions of the Endangered Species Act and is commonly known as the Desert Conservation Plan ("DCP"). Included among the terms of the DCP is a provision that the County shall stand ready to purchase appropriate grazing allotments from willing sellers upon terms mutually satisfactory to the owners thereof and the County.
- F. County has purchased the Assets, based upon this covenant and assurance that the land within the Allotment shall not thereafter, at the election of the County, be available for livestock grazing purposes pursuant to the laws of the United States and regulations adopted and enforced by the BLM.

COVENANT NOT TO RE-GRAZE

Now, therefore, Owner covenants and agrees as follows:

1. Owner covenants and agrees on behalf of the Owner, except as provided hereinafter, not to apply or re-apply, at any time in the future, for any permit from the BLM or any successor agency with jurisdiction, for the lands included in the Beacon Allotment.
2. Owner also covenants and agrees that Owner shall not use or allow the use of the Base Property in connection with grazing activities upon the Allotment after closing, it being the intention of both the County and the Owner that the Base Property shall never be used as Base Property for the Allotment or the land within the Allotment, whether now or in the future, whether such Base Property is owned by Owner or subsequent assignees, designees or grantees.
3. If the Owner violates this Covenant Not to Re-graze by applying or re-applying for a permit, lease or other right to graze, then, in such event, the County, its successors and assigns, shall have all remedies available at law or in equity, including, without limitation, the remedy of injunction; in addition, in such event, the Owner shall promptly refund to the County, its successors or assigns, all sums that the County has paid to Owner, their heirs, successors or assigns through the date of such refund (including, without limitation, the purchase price of the Assets, together with interest thereon at the maximum rate allowed by law), and all attorney fees and collection costs, and all direct and indirect costs incurred by the County, its successors or assigns with respect to acquisition or maintenance of the Assets.

Done this ____ day of June, 2001.

EXHIBIT A
DESCRIPTION OF PROPERTY

All or portions of the following described property located in Lincoln County, Nevada, as further depicted on the attached Exhibit A-1:

BEACON ALLOTMENT:

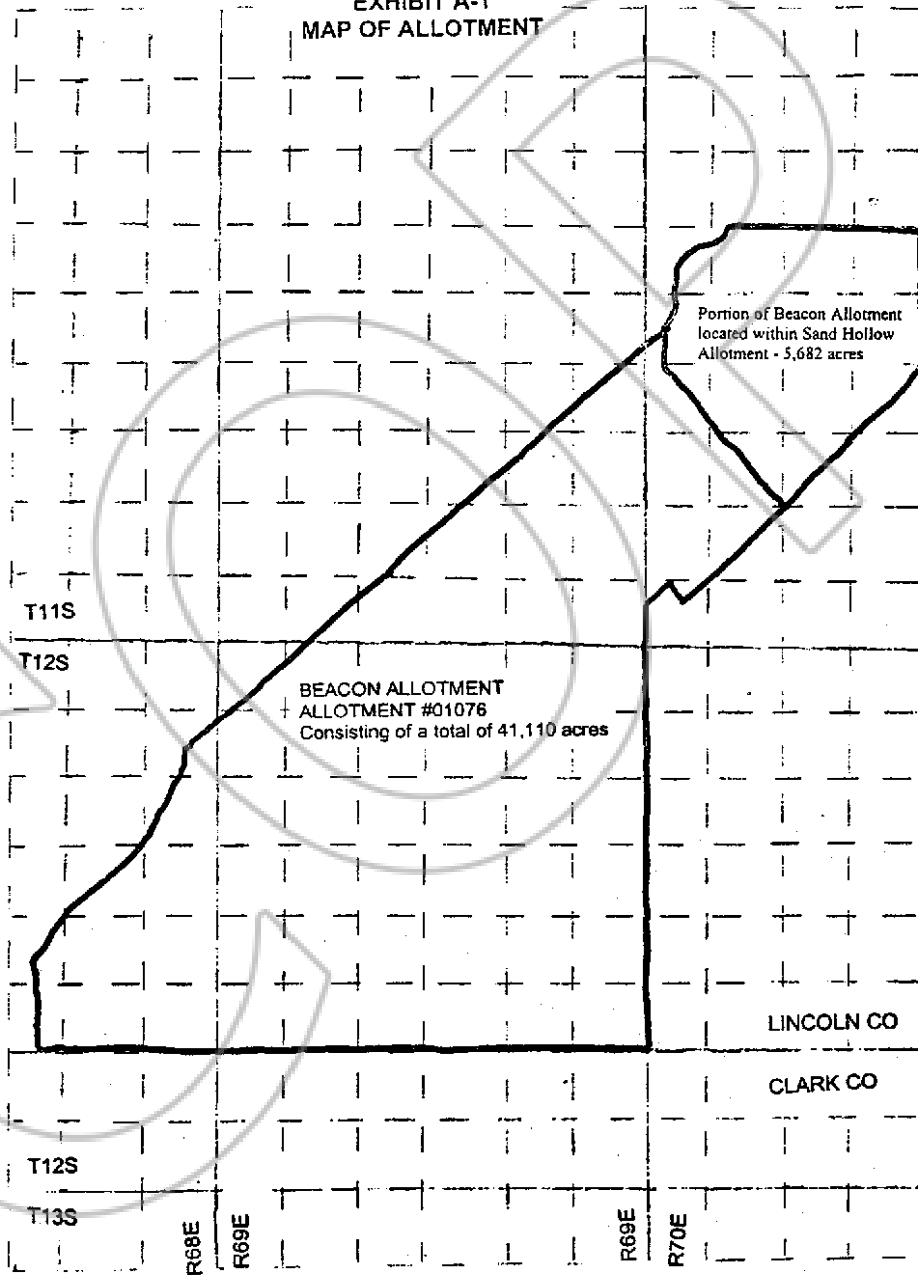
Commencing at the Lincoln County line at the point where the Mormon Mesa - Tule Desert road crosses it and thence north following said road to Mormon Mtn. Summit approximately 4 miles, thence northeast on a line which parallels the telephone line and is three miles southeast of Gourd Springs, thence continuing northeast to the south end of a most prominent line ridge commonly referred to as the Seven-Mile ridge, this point is located in approximately NE1/4 of Sec. 6, T. 11 S., R. 70 E. or to the south end of the Snow Springs Allotment, thence east along the Snow Spring Allotment approximately 3 miles to base of ridges that run north and south, thence south to a point 1 mile south of the telephone line located approximately in the center of Sec. 15, T. 11 S., R. 70 E., thence southwest paralleling and staying one (1) mile south of the telephone line to a point on the Toquop Wash located 1 mile south of the telephone line, thence northwest following Toquop Wash to the telephone line, thence southwest following the telephone line approximately 2 miles to the township line between R. 69 E. and R. 70 E., thence south following said township line approximately 6.5 miles to the county line in the SE corner of Sec. 36, T. 12 S., R. 69 E., thence west 8 1/2 miles to the place of beginning.

PORTION OF BEACON ALLOTMENT WITHIN SAND HOLLOW ALLOTMENT

T. 11 S., R. 70 E., Sections 3, 4, 8, 9, 10, 16 and 17 - ALL.

T. 11 S., R. 70 E., Sections 5, 6, 7, 15, 18, 21 and 20 - PORTIONS.

EXHIBIT A-1
MAP OF ALLOTMENT



LINCOLN CO

CLARK CO

EXHIBIT B

DESCRIPTION OF BASE PROPERTY

BEACON ALLOTMENT

Parcel 1 (Lundgren Ranch, L.L.C.):

SW1/4 NW1/4 and NW1/4 SW1/4 of Section 12, Township 39 South, Range 9 West, S.L.B. & M., Kane County, Utah

Parcel 2 (Estate of Cleo Wood):

W1/2 NE1/4, W1/2 SE1/4, Section 19, Township 32 South, Range 14 West S.L.B. & M., Iron County, Utah

Parcel 3 (Edwin O. Larson):

E1/2 Section 5, Township 39 South, Range 9 West; W1/2, W1/2 E1/2, E1/2 SE1/4, Section 3, Township 39 South, Range 9 West; Section 4, Township 39 South, Range 9 West; and N1/2 N1/2, Section 10, Township 39 South, Range 9 West, S.L.B. & M, Kane County, Utah.

EXHIBIT C
DESCRIPTION OF RANGE IMPROVEMENTS

Beacon Dual Use Allotment
 (Page 1 of 3)

BEACON AND TOQUOP SHEEP ALLOTMENTS
BLM RANGELAND IMPROVEMENTS*

<u>Allotment</u>	<u>Corrals</u>	<u>Fence Lines</u>	<u>Cattle Guards</u>	<u>Holding Field</u>	<u>pvc Pipe</u>	<u>Tanks/Troughs</u>	<u>Reservoir</u>
Beacon	no	yes	1	no	yes	yes(3,3)	no
Toquop Sheep	no	yes limited	1	no	no	no	yes

BEACON - STOCKWATER IMPROVEMENTS

- (No. 6) "Afterburner" one 500 gallon water trough
- (No. 7) "Ruesch Tank" one 10,000 gallon storage tank
two 300 gallon (each) water troughs
- (No. 8) Northwest Beacon two 300 gallon (each) water troughs

All above water trough sites have water control valves within concrete or metal boxes.

TOQUOP SHEEP - STOCKWATER IMPROVEMENTS

One stockwater pond located in Section 12, T 13 S, R 63 E, Clark County, Nevada, was built by CCC in the 1930s. No other water development on this allotment.

Beacon and Toquop Sheep allotments

Cattle Guards

- one at Beacon/Sand Hollow/Gourd Springs allotment boundary (northwest side); 12' steel construction
- one at Interstate 15 rest area access to north area (north of Interstate 15) of Toquop Sheep allotment; 12' steel construction

EXHIBIT C
DESCRIPTION OF RANGE IMPROVEMENTS

Beacon Dual Use Allotment
(Page 2 of 3)

Fencing

One perimeter fenceline, four strand, steel post with wood braces, in good condition, surrounds three sides of Beacon allotment (Sand Hollow area). Estimate approximately 6 miles of perimeter fencing. Approximately 4 miles are unfenced on east boundary lines (bordering Sand Hollow allotment) and 1.5 miles is unfenced at northwest boundary of Beacon and south boundary of Summit Spring allotment.

Toquop Sheep allotment is only (sheep) fenced on both sides of Interstate 15, approximately 15 miles total.

Water(1)

Stockwater only is found on subject two allotments, however, no certified or legally permitted water rights are associated with either Beacon or Toquop Sheep allotments. There are no springs or wells found on either allotment.

Stockwater pond only located on Toquop Sheep allotment located in Section 12 T 13 S - R 69 E. All other water has been hauled.

Stockwater located on Beacon allotment is due to an elaborate water system developed approximately ten years ago. Parties to this 1988 cooperative 13-mile long effort included the St. George, Utah, Bureau of Land Management Office and owners of six BLM allotments which follow:

1. Beaver Dam Slope allotment (Utah)*
2. Scarecrow Peak allotment (Utah and Nevada)*
(aka Terry Benches - NV)
3. Snow Springs allotment (Nevada)
4. Sand Hollow allotment (Nevada)
5. Beacon allotment (Nevada)
6. Mormon Well allotment (Arizona)

EXHIBIT C
DESCRIPTION OF RANGE IMPROVEMENTS

Beacon Dual Use Allotment
(Page 3 of 3)

Owners of above allotments:

1. Beaver Dam Slope Allotment
 - A) J. Claude Frei and Sons
 - B) Landon Frei
 - C) Shelby Frei
 - D) Marion Graf
 - E) Darrell Hafen
 - F) Lane Gubler
 - G) John K. Frei

2. Scarecrow Peak Allotment (aka Terry Benches - NV)
 - A) Dennis Iverson
 - B) Fenton Bowler
 - C) Bill Mull
 - D) Stahlie Farms c/o Larry Stahlie
 - E) Judd Burgess

(1) See Addenda, Exhibit "E" for Water Rights details.

*Beaver Dam Slope and Scarecrow Peak allotments administered by St. George, Utah, BLM office. Other allotments administered by Caliente, Nevada, BLM office.

3. Snow Springs Allotment
 - A) Fenton Bowler
 - B) Jack Bowler
 - C) Ed Balin
 - D) Bill Mull

4. Sand Hollow Allotment
 - A) Kelton Hafen
 - B) Eldon Hafen
 - C) Norman Gubler Trust

5. Beacon Allotment
 - A) Cleo Wood Estate
 - B) Roy Lundgren
 - C) Edwin Larson

6. Mormon Well Allotment
Pine Valley Group (South of St. George)
 - Dean Gardner
 - Judd Burgess

(Did not contribute to project development or cost.)

NO. 116772

FILED AND RECORDED AT REQUEST OF
STEWART TITLE

AUGUST 10, 2001

AT 40 MINUTES PAST 01 O'CLOCK

PM IN BOOK 157 OF OFFICIAL

RECORDS PAGE 313 LINCOLN

COUNTY, NEVADA.

LESLIE BOUCHER

COUNTY RECORDER

BY Jerome Sevens DEPUTY