GRAZINGLEASE

THE PARTIES, Dilley Ranch Property Owners Association, a Colorado non-profit corporation, on behalf of its members (Lessor), and(lessee —Keely Smith-Benesch) agree to a Grazing Lease, with a start date of June 15, 2025 (which is subject to change based on the availability of moisture and grass) to October 31, with all cattle off Association property on orbefore November1 of every grazing period, this includes all Association lots within the Dilley Ranch Subdivision, (which covers approximately 2660 acres), County of Custer, State of Colorado (the Property). The Parties further agree as follows:

- 1. This lease is for the grazing of cattle, in numbers agreed to by the parties, and during the stated grazing season. After due consideration and consultation with the Custer County Assessors' office, the number of cattle to be run on the Association (POA) property for this coming 2025 grazing season is to set at 50 head (a cow/calf defined as one animal). No other rights to the access or use of the Property are created by this lease. No part of the Property shall be used by Lessee as a feedlot. To ensure the condition of the range, Lessee shall remove all livestock not authorized by this lease. Removal of dead or injured cattle is the sole responsibility of the Lessee. Such removal is not to exceed one week from the date of notification. The intent here is to not degrade the land. For any homeowner questions or concerns, the proper contact person shall be the President of the DRPOA or his/her designee.
- 2. Lessee agrees to maintain the present fencing when and where necessary, to not overgraze the property, to develop a rotation plan and move the cattle to different parts of the property, following the recommendations of the Lessor. That plan is to include provisions for water/stock tank locations along established Dilley roads on to the edge of the Associations road easements. The Lessee is responsible for providing the stock tanks and their refilling. Additionally, the Lessee can also strategically place mineral (salt) blocks on or around the same Association easement areas where the stock tanks are located to help facilitate the watering of the cattle. Lessee has volunteered to provide a 500 gallon stock tank for the 2025 grazing season. Removal/relocation of said tank is to be accomplished following the recommendations of the Lessor. In the unlikely event should additional tanks become necessary, that is to be worked out jointly between Lessee and Lessor.
- 3. If for some unforeseen reason, should the County declare a severe/extreme drought condition within the county, the Lessee agrees to reduce and/or remove the grazing herd after discussions and agreement with the Lessor. In such an event, there will be a reduction in the grazing fee of fifty cents per head per day, but not to exceed the total cost of the grazing fee.
- 4. Lessee agrees that the use of motorized vehicles will be restricted to the existing improved roads and driveways on the Property and that all other travel on and across the Property will be on foot or on horseback.
- 5. The intent of this lease is to provide for a two year rolling lease period. In this way, protection and stability for both parties can be assured. For legal reasons, the lease must be re-signed annually (at least 30 days prior to entering the next contract year) unless declined by either party by written notice to the other for the next year's grazing period.

If for some other unforeseen reasons however, where land conditions warrant a modification of the lease, either party may propose a modification or decline to renew the lease by written notice to the other party. It is further understood by all parties that if the Lessee does not abide by the terms and conditions of the Agreement, the Association has the right to cancel and/or not to renew with the lessee as stated above and can put the lease out for re-bid. Further, in the unlikely event, the Lessee does not place the agreed number of cattle on the Dilley or remove his cattle by the above noted November removal date; the Association reserves the right to seek any all legal remedies at its disposal.

- 6 Lessee expressly acknowledges that the owners of the Property have the right to sell or convey all or part of the above described property at any time but that the terms of this lease shall not be subordinated to ant new interest, lien, or encumbrance made as a result of such sale or conveyance.
- 7. Lessee acknowledges that the owners of the Property have the right to use, possess, access, and visit the Property, to use it for residential, personal, and recreational purposes, and to undertake improvements thereon including, but not limited to construction of structures, residences, and the development of roads and wells, provided such use does not interfere with the rights granted to Lessee by the terms of this lease. Lessor acknowledges that its members are solely responsible to protect their property and possessions from damage by livestock and shall not hold the Lessee liable for any inadvertent damage caused by such livestock.
- 8. The negotiated fee for this lease shall be \$3,000.00 for the grazing season defined by the Plan, payable to Lessor on or before the cattle being place on the Dilley.

LESSEE: (Keely Smith-Benesch)

eeli Amith Genesch Address/contact info: PO BOX 31 81853 Wetmore,

LESSOR: Dilley Ranch Property Owners Association By:

laire M'Cutchion

Claire McCutcheon, President h)719-783-9452 c)719-371-4864 e)clairem719@gmail.com

Alex B.Wilcox, Chairman, Grazing Committee h)719-783-4126 o)719-783-4128 e)alexthebridge@gmail.com

(Date)

4/3/20

(Date)

Additional contact info:

Dilley Ranch POA PO Box1333,Westcliffe, CO.81252 e) <u>drpoasecretary@gmail.com</u>

Grazing committee members:

Paul Picou h) 710-783-4141 c) 719-371-4289

Dave Freeburg h) 719-783-2136 c) 719-431-0208

Scott Freeburg c) 719-285-5009