

**GRAZING LEASE**

**BY AND BETWEEN**

**SOUTH T-BAR PROPERTY OWNERS ASSOCIATION,  
a Colorado not for profit corporation and the owners  
of record listed on Exhibit A attached hereto and incorporated herein,**

Lessor

and

**BUDDY AND DIANE TAYLOR,**

Lessee

## BASIC LEASE PROVISIONS

This summary of the basic lease provisions (the “Basic Lease Provisions”) of the attached Grazing Lease (“Lease”) is entered into by and between Lessor and Lessee as of February 20, 2022 and effective February 20, 2022 for the purpose of convenience in discussing the terms and conditions of the Lease, and is hereby made a part of the Lease. In the event of any conflict, inconsistency or ambiguity between the Basic Lease Provisions and the Lease, the Basic Lease Provisions shall govern.

- A. “Lessor” means: South T-Bar Property Owners Association, a Colorado not for profit corporation (“POA”), together with those parties listed as the owner of record on Exhibit A attached hereto and incorporated herein. By entering into the terms of this Lease, the parties listed as owners of record on Exhibit A hereby designate the POA as their exclusive agent to negotiate, enter into, and enforce the Lease on their behalf.
- B. “Lessor’s Address for Notice” means:  
  
P.O. Box 1431  
Canon City, CO 81215, together with the addresses listed on Exhibit A attached hereto and incorporated herein.
- C. “Lessee” means: Buddy and Diane Taylor.
- D. “Lessee’s Address for Notice” means:  
  
0498 County Road 9A  
Canon City, CO 81212
- E. “Additional Rent” means all other sums due from Lessee hereunder and shall be in addition to Monthly Rental.
- F. “Premises” means the real property comprising approximately 6,240 acres located in Fremont County, CO consisting of certain realty known as South T-Bar Ranch Filings 1, 2, 3, 4, 5 and 6, and several adjacent properties thereto as more particularly described on Exhibit A attached hereto and incorporated herein, together with the right of ingress and egress over and across all existing roads located within the Premises.
- G. “Term” means 3 years and -0- months, subject to Paragraph 18 of the Lease.
- H. “Monthly Rental” means that sum commonly known as base rent which is payable in advance and is exclusive of Additional Rent and other sums and charges due under this Lease. The Monthly Rental during the Term shall be an annual base rental of \$3,600.

I. “Permitted Use” means the grazing of cattle, subject to the limitations contained herein. Such use may also include the pasturing of cattle.

**“LESSOR”**

South T-Bar Property Owners Association,  
a Colorado not for profit corporation, together with those parties listed as the  
owner of record on Exhibit A attached hereto and incorporated herein

By: \_\_\_\_\_

Its: \_\_\_\_\_

**“LESSEE”**

\_\_\_\_\_  
Buddy Taylor

\_\_\_\_\_  
Diane Taylor

I. “Permitted Use” means the grazing of cattle, subject to the limitations contained herein. Such use may also include the pasturing of cattle.

**“LESSOR”**

South T-Bar Property Owners Association,  
a Colorado not for profit corporation, together with those parties listed as the  
owner of record on Exhibit A attached hereto and incorporated herein

By: [Signature]  
Its: PRESIDENT South T-Bar BA

**“LESSEE”**

[Signature]  
Buddy Taylor

DIANE Taylor  
Diane Taylor

## **GRAZING LEASE**

THIS GRAZING LEASE (“Lease”) is entered into by and between Lessor and Lessee as of February 20, 2022, and effective February 20, 2022.

1. PROPERTY LEASED

Upon and subject to the terms, covenants and conditions hereinafter set forth, Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the entire Premises.

2. TERM

Subject to Paragraph 18 below, the Term of this Lease shall be for the period shown in Item G of the Basic Lease Provisions commencing on the later of February 20, 2022 (“Lease Commencement Date”) and expiring February 20, 2025 (“Expiration Date”). Notwithstanding anything contained herein to the contrary, Lessee shall have the option of extending the Term of this Lease for 1 period of 3 years by providing Lessor prior written notice no later than 90 days prior to the Expiration Date.

3. RENT

Commencing on February 20, 2022, Lessee shall pay to Lessor during the Term, the Monthly Rental in the amount set forth in Item H of the Basic Lease Provisions, which sum shall be payable by Lessee in advance, at Lessor’s Address for Notice specified in Item B of the Basic Lease Provisions (or at such other place as Lessor may designate, from time to time, by written notice to Lessee) as follows: \$1,800 on or before each April 15 during the Term and the remaining balance of \$1,800 on or before each November 15 during the Term. The Monthly Rental shall be paid without deduction or setoff except as provided in Paragraph 9 below.

4. INSURANCE

Lessee shall, during the Term hereof, keep in full force and effect at Lessee’s sole cost and expense comprehensive general liability insurance with a limit of not less than \$1,000,000 combined single limit per occurrence for the benefit of Lessee, against claims for personal injury and property liability.

Lessee shall cause to be delivered to Lessor, within 15 days of issuance, all certificates of insurance evidencing such insurance is in force and effect, with limits not less than those specified above.

5. INDEMNITY

Lessee shall indemnify, hold harmless and release Lessor from and against any and all claims, costs and expenses arising from the use and operation of the Premises by Lessee, its agents, employees, guests, invitees, licensees and sublessees.

6. USE OF PREMISES

Lessee and Lessee's agents shall be permitted to use the Premises for the permitted use as described in Item I of the Basic Terms, subject to applicable laws, rules and regulations in effect, including without limitation, any and all state and federal environmental laws. Any other use of the Premises shall be prohibited.

7. CONDITION OF PREMISES

Lessee acknowledges and agrees it will be leasing the Premises based solely upon its inspection and investigations of the Premises and Lessee will be leasing the Premises "as is" and "with all faults" based upon the condition of the Premises as of the date of this Lease.

8. REHABILITATION AND ALTERATIONS

Any modification or alteration of the Premises shall be prohibited without the prior written consent of Lessor. Except as otherwise required to be made by Lessor as provided in this Lease, any alterations, physical additions, fixtures or improvements to the Premises, as approved by Lessor and made by Lessee, shall be at the sole expense of Lessee, shall at once become the property of Lessor, and shall be surrendered to Lessor upon the termination of this Lease. Lessee shall keep the Premises free from any liens arising out of any work performed, material furnished or obligation incurred by or for Lessee or any person or entity claiming through or under Lessee.

9. MAINTENANCE AND REPAIRS; LIMITATIONS

A. Lessee's Obligations

Except as expressly set forth herein, Lessee, at its sole cost and expense, shall keep, maintain and manage the Premises in good order and repair as it exists as of the date of this Lease, including without limitation, any personalty used in connection with the operation of the Premises, landscaped areas, pastures, all equipment and fixtures used in connection with the operation of the Premises, proper pasture grazing, fence maintenance and repairs, hay cutting, and management, maintenance and maximization of all irrigation water, including without limitation, operation and control of headgates and measuring devices. There shall be no requirement of Lessee to gather and/or redistribute manure of livestock or to maintain, repair and replace any fencing within the Premises. Lessee shall promptly remove the carcass of any dead livestock upon notification by Lessor or discovery by Lessee. All maintenance and repairs made by Lessee required hereunder shall be similar in quality and nature to other ranching operations comparable to the Premises. Lessee shall enter into and terminate contracts, leases and renewals thereof necessary for the management and operation of the Premises, including without limitation, grazing leases, and hay leases, upon the prior written consent of Lessor. Notwithstanding anything contained herein to the contrary, Lessee's obligations hereunder shall exist only from April 15 through November 15 of each year during the Term and any extension thereof. Lessee shall only be permitted to graze cattle on the Premises from April 15 through November 15 of each year during the Term and any extension thereof as provided herein.

B. Limitation

Notwithstanding anything contained herein to the contrary, Lessee shall be permitted to graze no more than 180 cow/calf pairs and 6 bulls on the Premises at any one time within existing pastures. The grazing of additional cattle or any horses or other animals shall require the prior written consent of Lessor. Lessee's right to graze cattle hereunder shall include the right to utilize existing water rights appurtenant to the Premises; provided however such use shall not cause waste or unreasonably degrade such water rights in the opinion of an unbiased land manager with expertise in cattling operations. Lessee's right to graze cattle hereunder shall be in accordance with generally accepted land management practices utilized in the area of the Premises.

10. ENTRY BY LESSOR

Lessor shall have the right to enter the Premises at reasonable times to inspect the same, to post notices of nonresponsibility, and for the purpose of making such emergency alterations, repairs, improvements or additions to the Premises as Lessor reasonably deems to be necessary.

11. DEFAULT

A. Lessee's Default

The occurrence of any one or more of the following shall constitute a default hereunder by Lessee:

1. The failure by Lessee to pay when due the Monthly Rent, Additional Rent or any other payments required to be made under this Lease, including without limitation, insurance premiums 10 days after such payments are due and payable;

2. A failure by Lessee to observe and perform any other provision of this Lease to be observed or performed by Lessee, including without limitation, maintenance of the Premises, where such failure continues for 30 days after written notice thereof by Lessor; provided, however, if the nature of such default is such that the same cannot reasonably be cured within such 30-day period, Lessee shall not be deemed to be in default if Lessee shall within such period commence such cure and thereafter diligently prosecute the same to completion; or

3. The filing by or against Lessee of a petition in bankruptcy or for liquidation or of a petition for reorganization or arrangement under any law relating to bankruptcy unless (in the case of a petition against Lessee) the same is dismissed within 90 days; or receiver to take possession of substantially all of Lessee's assets located at the Premises or of Lessee's interest in the Lease, where possession is not restored to Lessee within 90 days.

B. Remedies

In the event of any default by Lessee under this Lease and such default remains uncured after the applicable cure period, if any, Lessor shall have the following rights and

remedies, in addition to all other remedies at law or in equity, and none of the following, whether or not exercised by Lessor, shall preclude the exercise of any other right or remedy whether set forth in this Lease or existing at law or in equity, and all such remedies shall be cumulative:

1. Lessor shall have the right to terminate this Lease by giving Lessee written notice of termination at any time. If Lessor gives such notice, this Lease and the Term, if any, of this Lease as well as the right, title and interest of Lessee under this Lease shall wholly cease and expire in the same manner and with the same force and effect (except as to Lessee's liability existing hereunder at such time of notification) on the date specified in such notice as if such date were the expiration date of the Term, if any, of this Lease without the necessity of re-entry or any other act on Lessor's part. Upon any termination of this Lease, Lessee shall quit and surrender to Lessor the Premises. If this Lease is terminated, Lessee shall be and remain liable to Lessor for damages as provided by applicable law including reasonable attorney's fees.

2. Lessor may, without demand or notice of any kind to Lessee, terminate Lessee's right of possession (which shall not be deemed to be a termination of the Lease) and re-enter and take possession of the Premises or any part thereof, and repossess the same and expel Lessee and those claiming through or under Lessee, and remove the effects of any and all such persons and change the locks on the Premises without being deemed guilty in any manner of trespass, without prejudice to any remedies hereunder and without terminating this Lease or otherwise relieving Lessee of any obligation hereunder. If Lessor elects to re-enter as provided in this Subparagraph 2, or if Lessor takes possession pursuant to legal proceedings or pursuant to any notice provided by law, Lessor may, from time to time, without terminating this Lease, relet the Premises or any part thereof for such term or terms and at such rental or rentals, and upon such other conditions as Lessor may, in its reasonable discretion, deem advisable, with the right to make alterations and repairs to the Premises. No such re-entry, repossession or reletting of the Premises by Lessor shall be construed as an election on Lessor's part to terminate this Lease unless a written notice of termination is given to Lessee by Lessor. No such re-entry, repossession or reletting of the Premises shall relieve Lessee or any guarantor of its liability and obligation under this Lease, all of which shall survive such re-entry, repossession or reletting. Upon the occurrence of such re-entry or repossession, Lessor shall be entitled each month to the amount of Rent which would be payable hereunder if such re-entry or repossession had not occurred, less the net proceeds, if any, of any reletting of the Premises after deducting all of Lessor's reasonable expenses in connection with such reletting, including without limitation, attorney's fees.

3. Lessor may bring an action at law or in equity on one or more occasions to collect any amount payable by Lessee under this Lease or to enforce any obligation of Lessee under this Lease.

No right or remedy herein conferred upon or reserved to Lessor is intended to be exclusive of any other remedy, and each and every right and remedy shall be cumulative and in addition to any other right or remedy given hereunder or now or hereafter existing at law or in equity or by statute.

## 12. HOLDING OVER; SURRENDER

A. Holding Over

Any holding over after the expiration of the Term, if any, with the consent of Lessor, shall be construed to be a tenancy from month to month at 100% of the Monthly Rental herein specified (prorated on a monthly basis). Any holding over without Lessor's consent shall constitute a default by Lessee and shall entitle Lessor to re-enter the Premises as provided in Paragraph 11 hereof.

B. Condition of Premises Upon Surrender

At the termination of this Lease, Lessee shall restore and deliver the Premises to Lessor in a condition substantially similar to the Premises as of the Lease Commencement Date, reasonable wear and tear accepted. All appurtenances, fixtures, improvements, additions and other property attached to or installed in the Premises, whether by Lessor or by or on behalf of Lessee, and whether at Lessor's expense or Lessee's expense, shall be and remain the property of Lessor, at Lessor's option.

13. ATTORNEY'S FEES

Lessee shall pay to Lessor all amounts for costs, including but not limited to, attorney's fees and amounts paid to any collection agency incurred by Lessor in connection with any breach or default by Lessee under this Lease. Such amounts shall be payable upon demand. In addition, if any action shall be instituted by either Lessor or Lessee for the enforcement or interpretation of any of its rights or remedies in or under this Lease, the prevailing party shall be entitled to recover from the losing party all costs incurred by the prevailing party in said action and any appeal therefrom, including reasonable attorney's fees and court costs to be fixed by the court therein.

14. ASSIGNMENT AND SUBLETTING

Lessee may not sublet or assign the leasehold estate of Lessee hereunder without Lessor's prior written consent which may be unreasonably withheld. Any sublease or assignment of the Premises, whether permitted or not, shall not release Lessee from its obligation hereunder, and shall be in writing, the terms of which shall provide that Lessee shall remain liable to Lessor for all of Lessee's obligations under this Lease. Any encumbrance or hypothecation of Lessee's interest hereunder shall be expressly prohibited. In addition, any management of the Premises by a party other than Lessee shall be expressly prohibited.

15. MORTGAGE PROTECTION/SUBORDINATION

The rights of Lessee under this Lease are and shall be subordinate to any mortgage or deed of trust (including a consolidated mortgage or deed of trust) constituting a lien on the Premises or Lessor's interest therein or any part thereof. Notwithstanding any such subordination, Lessee's right to occupy the Premises pursuant to this Lease shall remain in effect and undisturbed for the full Term, if any, of the Lease so long as



Lessee is not in default hereunder.

16. SIGNS

Lessee shall not have the right to place, construct, or maintain in, on or about the Premises any sign, insignia, trademarks or descriptive material.

17. LATE PAYMENTS

A. Late Charges

Lessee hereby acknowledges that in addition to lost interest, the late payment by Lessee to Lessor of Monthly Rental, Additional Rent or any other sums due hereunder, will cause Lessor to incur other costs not contemplated in this Lease, the exact amount of which will be extremely difficult and impracticable to ascertain. Such other costs include, without limitation, processing, administrative and accounting costs. Accordingly, if any installment of Monthly Rental or any Additional Rent or other sums due from Lessee shall not be received by Lessor within 10 days after such amount shall be due, Lessee shall pay to Lessor a late charge equal to 5% of such overdue amount.

18. TERMINATION

Notwithstanding anything contained herein to the contrary, either party may terminate this Lease in such party's sole and unfettered discretion upon at least 90 days prior written notice ("Termination Notice"). Upon delivery of the Termination Notice and the expiration of 90 days, the terms and provisions of this Lease shall cease absent written agreement between Lessor and Lessee.

19. NOTICES

Any notice, demand, approval, consent, bill, statement or other communication required or desired to be given under this Lease in writing shall be directed to Lessee at Lessee's Address for Notice or to Lessor at Lessor's Address for Notice as set forth in Items B and D of the Basic Lease Provisions and shall either be personally served, or given by express mail, Federal Express, or any other similar form of airborne/overnight delivery service, or given by mail. Any such notice shall be deemed given (i) upon delivery, if personally served or delivered by any form of airborne/overnight delivery service; or (ii) if mailed, upon the expiration of 2 business days after the date of deposit into the United States Mails, certified and postage prepaid.

20. QUIET ENJOYMENT

Upon payment by Lessee of the rent herein provided, and upon the observance and performance of all the covenants, terms and conditions on Lessee's part to be observed and performed, Lessee shall peaceably and quietly hold and enjoy the Premises for the Term, if any, hereby demised without hindrance or interruption by Lessor or any other person or persons lawfully or equitably claiming by, through or under Lessor, subject, nevertheless, to the terms

and conditions of this Lease and of any mortgage and/or deed of trust to which this Lease is subordinate.

21. GENERAL

A. Paragraph Headings; Exhibits

The paragraph headings used in this Lease are used for the purpose of convenience only. They shall not be construed to limit, to extend or to illustrate the meaning of any part of this Lease. All Exhibits attached to this Lease are hereby incorporated into this Lease by this reference. In the event any exhibit mentioned in this Lease is not attached hereto, the intention to omit it shall be conclusively presumed and its absence shall not vitiate this Lease.

B. Incorporation of Prior Agreements; Amendments

This Lease contains all agreements of Lessor and Lessee with respect to any matter mentioned, or dealt with, herein. No prior agreement or understanding pertaining to any such matter shall be binding upon Lessor. Any amendments to, or modifications of, this Lease shall be in writing, signed by the parties hereto, and neither Lessor nor Lessee shall be liable for any oral or implied agreements.

C. Waiver

Waiver by Lessor of any breach of any term, covenant, or condition contained in this Lease shall not be deemed to be a waiver of such terms, covenants, or conditions themselves or of any subsequent breach of the same or of any other term, covenant, or condition contained in this Lease. Lessor's consent to, or approval of, any act shall not be deemed to render unnecessary the obtaining of Lessor's consent to, or approval of, any subsequent act by Lessee. The acceptance by Lessor of rent payable hereunder shall not be a waiver of any preceding breach by Lessee of any provision hereof, other than the failure of Lessee to pay the particular rent so accepted, regardless of Lessor's knowledge of such preceding breach at the time of acceptance of such rent, or sum equivalent to rent.

D. Intentionally Omitted

E. Time of Essence

Time is of the essence in the performance of each provision of this Lease.

F. Examination of Lease

Submission of this instrument for examination or signature by Lessee does not constitute an effective lease until execution by and delivery to both Lessor and Lessee.

G. Severability

If any term or provision of this Lease, or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and may be enforced to the fullest extent permitted by law.

H. Governing Law

This Lease shall be governed by, and construed in accordance with, the laws of the State of Colorado. Venue and jurisdiction shall be proper in State Court in Fremont County, CO and/or in Federal Court in the District of Colorado.

I. No Joint Venture

Nothing contained herein shall be deemed or construed by anyone as creating the relationship of principal and agent, partnership, or joint venture between Lessor and Lessee.

J. Force Majeure

Whenever a period of time is herein provided for either party to do or perform any act or thing, that party shall not be liable or responsible for any delays, and applicable periods for performance shall be extended accordingly, due to strikes, lockouts, riots, acts of God, shortages of labor or materials, restrictions, laws or regulations, or any other cause or causes, whether similar or dissimilar to those enumerated, beyond its reasonable control. The provisions of this Paragraph shall not operate to excuse Lessee from prompt payment of rent required by the terms of this Lease.

K. Execution

This Lease is executed in several duplicate counterparts as of the date set forth above, each of which shall be deemed an original of this Lease for all purposes.

L. Drafting

The parties hereto have participated in the drafting and negotiation of this Lease, and it is agreed that any claim as to ambiguity shall not be construed for or against either party as a result of such drafting.

“LESSOR”

South T-Bar Property Owners Association,  
a Colorado not for profit corporation,  
together with those parties listed as the owner of record on  
Exhibit A attached hereto and incorporated herein

By: \_\_\_\_\_  
Its: \_\_\_\_\_

“LESSEE”

\_\_\_\_\_  
Buddy Taylor

\_\_\_\_\_  
Diane Taylor

“LESSOR”

South T-Bar Property Owners Association,  
a Colorado not for profit corporation,  
together with those parties listed as the owner of record on  
Exhibit A attached hereto and incorporated herein

By: [Signature]  
Its: President South T-Bar POA

“LESSEE”

[Signature]  
Buddy Taylor

DIANE TAYLOR  
Diane Taylor