

# **Sunset Cliffs Lease Agreement, signed on this 12<sup>th</sup> day of May-2020 between Sunset Cliffs Inc. (Lessor) and David Barnhurst, (Lessee) at Hatch, Utah.**

## **Term of the Lease**

It is the intent of both parties to have this be a 1 year lease, with a review at the end of that period. At the time of that review, both parties will agree to either continue the contract on an annual basis, extend the contract for a period of 5 years, or terminate the contract. If the contract is extended for an additional 5 years, annual reviews will occur on the anniversary of the date of the signing of the contract. Annual reviews are intended to review financial results and contract performance and to facilitate any agreed upon amendments to the contract.

## **Contents of the Lease**

Contents of the lease are for use, care of and implementation of preparation, planting, watering, harvesting, and using irrigable land, grazing land, watering equipment and systems, roads, farm structures and fences.

## **The basic terms and conditions of the Lease are as follows:**

Sunset Cliffs will provide operating capital advances of \$16,000 in bi monthly equal installments, beginning on May 1, 2020, and ending on Sept. 30, 2020. Those installments are intended to provide operating capital for lessee to begin farming operations.

Sunset Cliffs will pay for repairs and maintenance required until crops are sold.

The income received from sales of crops will be distributed as follows; 1) repairs and maintenance costs incurred by Sunset Cliffs will be repaid, 2) the \$5,500 annual lease fee will be paid to Sunset Cliffs, 3) the \$16,000 operating capital advances will be paid to Sunset Cliffs, and 4) remaining income will be paid to the lessee.

**Crops** Lessee shall be responsible for all planting, watering, harvesting, hauling and use of fields, which fields shall be alfalfa replanted as needed.

**Equipment.** All farming operations, repairs and Maintenance, shall be done by lessee on SCI equipment, in conformance with the basic terms and conditions mentioned above.

**Brush clearance.** Lessee, on approval may increase grazing productivity by removing brush, disking, plowing, planting, etc. and planting suitable grasses. Current efforts to clear trees and brush and plant through NRCS will be the responsibility of Sunset Cliffs.

**Grazing period at Wilson Canyon** Shall be the normal summer season grazing as needed. Winter grazing and feeding is not intended. Winter hay storage is not intended. Lessee may graze a Mutually agreed on # of 10 to 25 cows with calves at canyon. winter feeding and water of cows shall be done at Big Hill in Hatch unless otherwise agreed upon.

**Big Hill,** Lessee shall fence, water, and generally maintain farming operations. And may graze and winter feed cattle on such

**Irrigation.** The water right irrigation time period is from May 1<sup>st</sup> to Oct. 1<sup>st</sup>. Additional time must be mutually agreed upon.

**Cost Items.** Any repairs, expenditures, supplies, materials, roadwork etc. incidental to farming operations shall be the responsibility of the lessee, in conformance with terms and conditions mentioned on page 1 of this lease.

**Watering systems.** Lessee shall be responsible for the upkeep, repair and maintenance of hand lines, wheel lines, motors, risers, pipes and related water and irrigation systems. and improvements, in conformance with terms and conditions mentioned on page 1 of this lease.

**Disasters.** Lessee shall not be responsible for major damages caused by natural disasters, including but not limited to large floods with wash crossing damages, or naturally caused fires.

**Washouts.** Lessee shall be responsible for small passage repairs across wash crossings as needed because of flooding, to enable his ability to continue farming work.

**Fencing.** Any fencing and or repairs incidental to cattle grazing and operation shall be the responsibility of the lessee. Fencing supplies will be provided by Sunset Cliffs.

**Gopher Control.** Gopher control shall be the responsibility of the lessee.

**Harvesting Hay.** 1<sup>st</sup> cut shall be harvested by mechanical means each season, as well as other cuttings as deemed feasible. Timing of harvesting will be by mutual agreement, relying on David for input.

**Hunting and Wildlife.** All hunting, wildlife, depredation, DWR, PLOA, permits etc. income related activities belong solely to Sunset Cliffs.

**Access.** Normal Access shall be through the bottom South West gate. Heavy hauling activities may be through the top South West Gate, or the Bottom North West gate

**Pond Water levels.** Ponds shall be kept at adequate levels to preserve fisheries. On one designated weekend per year levels shall be full to accommodate the annual Wilson family reunion water activities.

**Improvements** Any significant improvements and changes shall be mutually agreed upon before implementation.

**Liability.** Sunset Cliffs shall be held harmless for any accident, bodily harm, and or injuries to David Barnhurst and any and all family members or workers engaged by him while working, using, traveling or being on Sunset Cliffs property.

**Sunset Cliffs** will provide equipment to harvest and haul annual hay crop. Namely: tractor, swather, baler, bale wagon, and rake.

**Field Preparation & Planting.** Fields crops shall be prepared planted and reseeded on an agreed upon basis by lessee and SCI. Seeder and seed cost will be be mutually agreed upon by lessee and SCI.

**Records.** Lessee shall keep an accurate account of work hours, expenses, hay yields and sales to benefit SCI and lessee on further farming decisions and considerations.

**Interfaces: Hugh Wilson shall serve as Sunset Cliff's primary contact for this contract with David Barnhurst serving as the primary contact for Lessee.**

Agreed upon this date: \_\_\_\_\_

\_\_\_\_\_  
Hugh Wilson, President, Sunset Cliffs, Inc.

\_\_\_\_\_  
Date:

\_\_\_\_\_  
David Barnhurst

\_\_\_\_\_  
Date: