

STATE OF TEXAS

COUNTY OF BOSQUE

GRAZING LEASE AGREEMENT

I. This agreement of lease is made and entered in to be effective the 1st day of December 1, 2014, by and between Hedrick Sons, LP, Thomas F. Hedrick Co-Manager, hereinafter called Lessor, and Jim Dorman, hereinafter called Lessee.

In consideration of the mutual covenants and agreements herein set forth, and other good and valuable consideration, Lessor does hereby demise and lease to Lessee, and Lessee does hereby lease from Lessor, for the sole purpose of grazing a maximum of **47 cows**, the "Premises" situated in Bosque County, Texas and more particularly described as approximately 650 acres out of the Gertrude Cherino Survey, as generally described on Exhibit "A" which is attached hereto and incorporated herein.

TERM

II. The term of this lease shall be from December 1, 2014, to November 30, 2016, both dates inclusive, unless sooner terminated as herein provided.

RENT

III. Lessee shall pay to Lessor a cash Lease Fee of **\$9394.76** per year with the first payment due upon execution of this lease and the second lease payment due on December 1, 2015.

IMPROVEMENTS AND REPAIRS

IV. Lessee may not make any alterations, additions or improvements to the Premises without the prior written consent of Lessor.

All alterations additions, or improvements made by Lessee shall become the property of Lessor at the termination of this lease with no compensation due to Lessee.

Lessee shall be responsible for maintaining all fences.

Lessor agrees to furnish fencing material, as needed, for fencing maintenance and repairs during the term of the lease.

Lessor agrees to furnish and maintain adequate livestock water, subject to the time required to repair the water well or a damaged water line. Lessee will be responsible for providing livestock water during the time of repair period.

Lessor agrees to apply, at his sole discretion and expense, as many applications of fertilizer as Lessor deems reasonably necessary to promote heavy spring and fall growth.

Lessor agrees to spray, at his sole discretion and expense, adequate chemicals as Lessor deems reasonably necessary to control weeds and at the appropriate time as determined by Lessor.

NOTIFICATION OF TERMINATION

V. Lessee shall notify Lessor of his intent to discontinue the lease or seek a new lease of the property no later than September 1, 2016. Lessor may terminate this lease at any time, for any reason, with 30 days written notice to Lessee. Upon termination after a Lease Fee has been paid, Lessor shall refund a pro rata portion of the annual Lease Fee that has been paid. Termination date shall be the 30th

day after termination notice has been given. The amount of Lease Fee to be refunded is calculated by a quotient, (the numerator being the number of days ~~since December 1 of the lease year~~ *remaining in* the lease year divided by 365) multiplied by the annual Lease Fee.

RIGHT OF USE

VI. Lessor or his authorized representative shall have the right to use the Premises for all purposes other than grazing livestock. Lessee shall have no hunting or fishing rights to the Premises.

INJURY TO LEASED PREMISES

VII. Lessee shall use reasonable care in protecting the leased property from damage and shall report all damage to Lessor within 36 hours of occurrence or 12 hours after discovery of such damages, whichever is earlier.

INDEMNIFICATION

VIII. Lessee agrees and covenants to indemnify and hold Lessor harmless against any and all claims, demands, damages, costs and expenses including reasonable attorney's fees, for the defense thereof, arising from the Lessee's use of the above described Premises, or from any negligent act or omission by Lessee, his agents, servants, employees, contractors, guests, or invitees on or about the leased Premises. In the event that any action or proceeding is brought against Lessor by reason or any of the above, Lessee further agrees and covenants to defend the action or proceeding by legal counsel acceptable to Lessor and at Lessee's sole expense.

NO ASSIGNMENT OR SUBLEASE

IX. Lessee may not assign this lease nor sublease any portion of the Premises leased hereunder without the prior written consent of Lessor.

BREACH

X. If Lessor or Lessee fails to carry out any provision of this lease, the other party shall give notice to the other of the alleged breach. The party receiving notice of a breach shall then have thirty (30) days to remedy the alleged breach. Should the breach not be satisfactorily remedied, the other party shall have the right to terminate this lease upon thirty (30) days written notice to the offending party of their intention to do so. Nothing contained herein constitutes a waiver of the right to either party to damages occasioned by breach of this lease. Nothing in this section shall relieve Lessee from the obligation to give Notice of Termination in Section V.

ENTIRE AGREEMENT AND AMENDMENTS

XI. This lease shall constitute the entire understanding of the parties hereto with respect to the subject matter hereof, and no amendment, modification, or alteration of the terms hereof shall be binding unless the same be in writing, dated subsequent to the date hereof, and duly executed by the parties hereto.

FORCE MAJEURE

XII. Neither Lessor nor Lessee shall be required to perform any term, condition, or covenant of this lease so long as performance is delayed or prevented by force majeure, which shall mean acts of God, drought, floods, material or labor restrictions, failure to obtain regulatory approval, or by any governmental authority, and any other cause not reasonably within the control of either party, and

which, by the exercise of due diligence, Lessor or Lessee are unable, in whole or in part, to prevent or overcome.

IN WITNESS WHEREOF, the undersigned Lessor and Lessee hereto executed this lease as of the day and year first above written.

Jim Dorman

Jim Dorman, Lessee

Date 12/22/14

Address: 1518 FM 2490

Valley Mills, TX 76689

Thomas F. Hedrick

Date 12/15/14

Hedrick Sows, LP

Tom Hedrick, Co-Manager

10709 Marsha Lane

Houston, TX 77024

Tel 713-722-0085

Cell 713-501-6376

Email: tfhedrick@gmail.com