

GRAZING LEASE

THE STATE OF TEXAS }{

 }{ KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF EDWARDS }{

THIS GRAZING LEASE is made this 23 day of January, 2022, between West Nueces and Arrowhead Ranch PROPERTY OWNERS ASSOCIATION, its heirs, representatives, successors and assigns, Albert Hernandez President of West Nueces and Arrowhead Ranch POA (hereinafter called "Lessors") and Ryan Shanklin P.O.Box 321 Rocksprings, TX 78880

("Lessee").

WITNESSETH

1. **Purpose:** This lease shall be for the purpose of grazing cattle. Any other use of the property by Lessee must be approved in advance by Lessors.
2. **Property Description:** This lease shall be for all certain lands described below:
West Nueces and Arrowhead Ranch
Being 2500 acres of land, more or less, in Edwards County, Texas.
3. **Primary Term:** This lease is for a primary term of five (5) years Optional beginning January 23, 2022.
4. **Consideration:** As consideration for this lease, Lessee agrees to the following: Lessee will pay \$1 an arce on 2500 acres. The lease payment of \$2500 is due at leasing signing. And yearly future payments are due on the anniversary of the lease signing. Lessee maintains all water lines and perimeter fences on the ranch. Lessee shall not be responsible for water wells below the surface or minor road repair and maintene.
5. **Stocking Rate:** Lessee agrees to stock the lease premises with no more than 25 animal units as described in *EDWARDS CENTRAL APPRAISAL DISTRICT Agricultural Valuation Guidelines*. Lessee also agrees to use good grazing management practices, as described in *EDWARDS CENTRAL APPRAISAL DISTRICT Agricultural Valuation Guidelines*, including a rotation grazing system on the lease.
6. **Lessors's Obligations:** Lessors will be obligated to:
 - a. **Preserve Fences:** If Lessors desires to remove or alter any existing fences on his property, Lessors shall notify Lessee at thirty (30) days in advance in order for Lessee to maintain control of his livestock located on the ranch.
 - b. **Close Gates:** Lessors hereby agrees to keep all gates (perimeter and interior) closed at all times.
 - c. **Fence Out Personal Property:** Lessors hereby agrees to fence off all personal property (i.e. campsites, game feeders, residences, wells) with a type of fencing suitable for excluding livestock from such areas. Lessee shall not be held liable for damage to personal property caused by Lessee's livestock.
7. **Lessors's Reservations:** Lessors hereby reserves:
 - a. **Hunting Rights:** Lessors has reserved for his personal use, all the hunting privileges associated with the property. Lessors hereby agrees with the Lessee that Lessors will be responsible to Lessee for any damage caused to Lessee's livestock as a result of hunting activities on the property and Lessee may look directly to Lessors for any damages to Lessee's livestock as a result of hunting activities on the property.
 - b. **Access to the Property:** Lessors reserves for himself and his employees, agents and representatives, the right to go upon the property at all times.
 - c. **Use of the Property:** Lessors reserves the right to use the property for any purpose, other than grazing livestock, which Lessors may desire, so long as such use does not materially interfere with Lessee's right hereunder.
8. **Right to Terminate Lease:** Lessors or Lessee may terminate this agreement at any time by written notice 60 days prior to termination. Any individual tract owner at any time will have the right to cancel the lease on part or all of his property by constructing fencing that meets local standards and specifications for fencing in Edwards County and then giving Lessee thirty (30) days advance written notice that the owner wishes to withdraw his property from this lease.
9. **Lessee's Required Notice to Subsequent Owners:** If part or all of the property is ever sold, then the

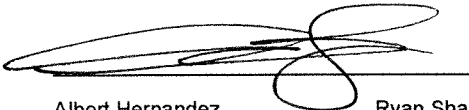
assume in writing this grazing lease, and thereby acknowledge that such Subsequent Owner understands that if he cancels the grazing lease on his property or changes the use of his property and if "roll-back" taxes are assessed for the current year or any prior year on the property then such Subsequent Owner shall be liable for and pay any and all "roll-back" taxes assessed against his property.

10. **Lessee's Indemnity:** Lessee does hereby hold harmless Lessors from and against any and all liability whatsoever arising out of, resulting from or in connection with Lessee's activities upon the property, whether property damage or personal injury. Property owners shall be held personally liable for any injury or death to Lessee's livestock that can be proven to be directly attributable to said property owner's actions.
11. **Assignment and Sublease by Lessee:** Lessee shall have the right to assign this lease or sublease under this lease with Lessors's consent.
12. **No Partnership:** This lease shall not be deemed to give rise to a partnership relation between Lessors and Lessee and neither Lessors nor Lessee shall have the right or authority to obligate the other for any debts incurred in connection with the activities of Lessors and Lessee, respectively, upon the property. Further, Lessee covenants and agrees not to permit any person to file a lien upon the property in connection with the activities of Lessee on the property.
13. **Enforceability:** This lease shall be binding upon Lessors and Lessee, and their respective heirs, legal representatives, successors and assigns. This lease shall be governed and construed in accordance with the laws of the State of Texas and the obligations of the parties hereto are and shall be performable in San Antonio, Texas.
14. **No Representations:** Lessee acknowledges that Lessors has made no representations or warranties, written or verbal, express or implied, with respect to the condition of the property or the adequacy of the property for livestock grazing activities.
15. **Attorney's Fee:** In the event of any dispute concerning this lease, the prevailing party in any litigation shall be entitled to recover in addition to any other relief, such party's attorney's fees and costs incurred.

IN WITNESS WHEREOF, Lessors and Lessee have executed this lease effective as of the 23 day of January, 2022.

Lessors:

Lessee:



Albert Hernandez

Ryan Shanklin



President & Board Member

West New Nueces and Arrowhead Owners Association