

AGRICULTURAL LEASE FORM  
LEASE TERMS AND DEFINITIONS

Date: 11-15-22

Landlord: TIMOTHY J. PHELAN

Landlord's Mailing Address: P.O. BOX 1274  
WALLER, TX. 77484

Tenant: BILLY D. REAGAN

Tenant's Mailing Address: 30921 JOSEPH RD.  
HOCKLEY, TX. 77447

Property: R 10551

SURFACE ONLY of approximately 149 acres of land, situated in Waller County, Texas, as described in Exhibit "A".

Base Rent (annual): \$1.00 AND TENANT MAINTAINS FENCES

Term: TWO years

Commencement Date: 11-15-22

Termination Date: 11-15-24

Security Deposit: - 0 -

Use: Grazing of cattle and cultivation of commercial agricultural crops

"Rent" means Base Rent plus any other sums of money due Landlord by Tenant.

"Landlord" means Landlord, its agents, employees, invitees, licensees, or visitors.

"Tenant" means Tenant, its agents, employees, invitees, licensees, or visitors.

LEASE CLAUSES AND COVENANTS

A. Tenant agrees to -

1. Lease the premises for the entire term beginning on the commencement date and ending on the termination date, subject to Landlord's right to permit hunting or fishing as provided below.
2. Accept the premises in their present condition "as its," the premises being currently suitable for Tenant's intended use.

3. Obey all laws, ordinances, orders, rules, and regulations applicable to the use, condition, and occupancy of the premises.
4. Pay, in advance, the annual base rent to Landlord at Landlord's address.
5. Pay for all utility services used by Tenant.
6. Pay all taxes on Tenant's personal property located on the premises.
7. Allow Landlord to enter the premises to perform Landlord's obligations, inspect the premises, and show the premises to prospective purchasers or tenant.
8. Repair, replace, and maintain any part of the premises that Landlord is not obligated to repair, replace, or maintain, normal wear excepted.
9. Repair or replace any damage to the premises caused by Tenant.
10. Submit in writing to Landlord any request for repairs, replacement, or maintenance that are the obligation of Landlord.
11. Maintain public liability insurance for the premises, naming Landlord as an additional insured.
12. Deliver certificates of insurance to Landlord before the commencement date and thereafter when requested.
13. Indemnify, defend, and hold harmless Landlord from any loss, attorney's fees, expenses, or claims arising out of Tenant's use of the premises.
14. Vacate the premises on termination of this lease.
15. Use the highest standards of animal husbandry in grazing the premises.
16. Keep all gates on the exterior of the premises closed, ingress to and egress from the premises being at those places designated by Landlord.

**B. Tenant agrees not to –**

1. Use the premises for any purpose other than that stated in the lease terms and definitions.
2. Create or allow a nuisance or permit any waste of the premises.
3. Alter the premises
4. Allow a lien to be placed on the premises.

5. Assign this lease or sublease any portion of the premises without Landlord's written consent.
6. Graze more than 40 head of cattle on the premises.
7. Hunt or fish on the premises or allow anyone else to do so.
8. Litter or leave trash or debris on the premises.

C. Landlord agrees to –

1. Lease to Tenant the premises for the entire term beginning on the commencement date and ending on the termination date.
2. Obey all laws, ordinances, orders, rules, and regulations applicable to the use, condition, and occupancy of the premises.

D. Landlord agrees not to –

1. Allow any use of the premises inconsistent with Tenant's permitted use as long as Tenant is not in default.

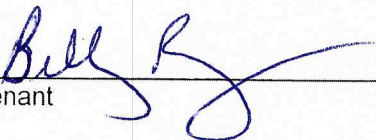
E. Landlord and Tenant agree to the following:

1. **Alterations.** Any physical additions or improvements to the premises made by Tenant will become the property of Landlord. Landlord may require that Tenant, at Tenant's cost, remove any physical additions and improvements, repair any alterations, and restore the premises to the condition existing at the commencement date, normal wear excepted.
2. **Abatement.** Tenant's covenant to pay rent and Landlord's covenants are independent. Except as otherwise provided. Tenant shall not be entitled to abate rent for any reason.
3. **Release of Claims/Subrogation.** Landlord and Tenant release each other from any claim, by subrogation or otherwise, for any damage to the premises or Tenant's personal property by reason of fire or the elements, regardless of cause, including negligence of Landlord or Tenant. This release applies only to the extent that it is permitted by law, the damage is covered by insurance proceeds, and the release does not adversely affect any insurance coverage.
4. **Notice to Insurance Companies.** Landlord and Tenant will notify the issuing insurance companies of the release set for in the preceding paragraph and will have the insurance policies endorsed, if necessary, to prevent invalidation of the insurance coverage.
5. **Condemnations/Substantial or Partial Taking.** (a) If the premises cannot be used for the purposes contemplated by this lease because of condemnation or purchase in lieu of condemnation, this lease will terminate; (b) if there is a condemnation or purchase in lieu of condemnation and this lease is not terminated, the rent payable during the unexpired portion of the term will be adjusted as may be fair and reasonable; and (c) Tenant will have no claim to the condemnation award or proceeds in lieu of condemnation.



6. **Default by Landlord/Tenant's Remedies.** A default by Landlord is the failure to comply with any provision of this lease that is not cured within thirty days after written notice.
7. **Default by Landlord/Tenant's Remedies.** Tenant's remedies for Landlord's default are to (a) sue for damages and (b) terminate this lease.
8. **Default by Tenant/Events.** Events of default by Tenant are (a) failing to pay timely Rent; (b) abandoning or vacating a substantial portion of the premises; or (c) failing to comply within ten days after written notice with any other provision of this lease, other than the events of default set forth in (a) and (b) above.
9. **Default by Tenant/Landlord's Remedies.** Landlord's remedies for Tenant's default are to (a) enter upon and take possession of the premises, after which Landlord may relet the premises on behalf of Tenant and receive the rent directly by reason of the reletting, and Tenant agrees to reimburse Landlord for any expenditures made in order to relet; (b) enter the premises and perform Tenant's obligations; or (c) terminate this lease by written notice and sue for damages. Landlord may enter upon and take possession of the premises by self-help, by picking or changing locks if necessary, and may lock out Tenant or any other person who may be grazing the premises, until the default is cured, without being liable for damages.
10. **Default/Waiver/Mitigation.** It is not a waiver of default if the nondefaulting party fails to declare immediately an event of default or delays in taking any action. Pursuit of any remedies set forth in this lease does not preclude pursuit of other remedies in this lease or provided by law. Landlord and Tenant have a duty to mitigate damages.
11. **Holdover.** If Tenant does not vacate the premises following termination of this lease, Tenant shall be deemed a tenant at will and shall vacate the premises upon receipt of notice from Landlord. No hold over by Tenant, whether with or without the consent of Landlord, will extend the Term.
12. **Alternative Dispute Resolution Provision.** Landlord and Tenant agree to mediate in good faith before filing a suit for damages.
13. **Attorney's Fees.** If either party retains an attorney to enforce this lease, the party who prevails at the time of trial is entitled to recover reasonable attorney's fees.
14. **Venue.** Venue is in the county in which the premises are located.
15. **Entire Agreement.** This lease, together with the attached exhibits and riders, is the entire agreement of the parties, and there are no oral representations, warranties, agreements, or promises pertaining to this lease or to the expressly mentioned exhibits and riders not incorporated in writing in this lease.
16. **Amendment of Lease.** This lease may be amended only by an instrument in writing signed by Landlord and Tenant.

17. **Limitation of Warranties.** Landlord and Tenant agree that there are no implied warranties of merchantability, of fitness for a particular purpose, or of any other kind arising out of this lease, and there are no warranties that extend beyond those expressly stated in this lease.
18. **Notices.** Any notice required by this lease shall be deemed to be delivered (whether or not actually received) when deposited with the United State Postal Service, postage prepaid, certified mail, return receipt requested, addressed to Landlord or Tenant at the addresses.
19. **Mineral Interest.** This lease is subordinate to any present or future oil, gas, or other exploration agreements and leases. Landlord shall not be liable to Tenant for any damages for actions attributable to these agreements and shall receive all consideration paid therefor.
20. **Landlord's Use.** Landlord retains the right to permit third parties to use the premises for hunting, fishing, and other uses that do not interfere with Tenant's grazing rights.
21. **Other Provisions.**
- A. Tenant agrees and understands that Landlord has an absolute right to terminate this lease upon sixty days written notice should a sale of the property occur during the term of this lease; provided however if Tenant is using any portion of the property for farming of commercial crops, termination of the lease in the event of sale for that portion of the property being farmed shall be upon the harvesting of the crop or 180 days from notice of sale, whichever occurs earlier. Rent shall be prorated and refunded to Tenant for that portion of the lease term following termination of the lease. Tenant shall surrender possession of the property upon expiration of the lease after proper notice.

  
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Tenant

  
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Landlord