

GRAZING LEASE

00345888

STATE OF TEXAS

COUNTY OF VAL VERDE

This Grazing Lease is made and effective September 29, 2023, between ROCK PILE CONSTRUCTION, LLC, its successors and assigns, whose address of record is P.O. Box 420577, Del Rio, TX 78842 (collectively hereinafter "Lessor"), and BURK RANCH OPERATIONS, LLC, its successors and assigns, whose address of record is 3806 Veterans Boulevard, Suite A, Del Rio, TX 78840 (collectively hereinafter "Lessee").

WITNESSETH

1. **Purpose:** This lease shall be for the purpose of grazing livestock. Any other use of the Property by Lessee must be approved in advance by Lessor.
2. **Property Description:** This Grazing Lease shall be for those certain lands known as the ZACATOSA RANCH located in Val Verde County, Texas, and being 1,410.397 acres, more or less, platted into the ZACATOSA RANCH SUBDIVISION and recorded in Slide 668 of the Map Records of Val Verde County, Texas (the "Property").
3. **Subsequent Owners:** Lessor may from time to time sell tracts of the Property. Any purchaser of a tract within the ZACATOSA RANCH SUBDIVISION shall be described as a "Subsequent Owner" under this Grazing Lease.
4. **Primary Term:** This lease is for a three-year term beginning September 29, 2023. Following this initial term, and upon mutual agreement of Lessor and Lessee, this Grazing Lease may be extended for additional periods of no more than three years per extension.
5. **Consideration:** As consideration for this Grazing Lease, Lessee agrees to pay Lessor the sum of \$2.00 per acre for an annual payment of \$2,800.00 due the first of October. By executing this Grazing Lease, Lessor and Lessee acknowledge that payment in full for the Primary Term has been made.  
  
This provision shall not in any way bind any Subsequent Owner to make payment to Lessor or obligate Lessor or Lessee to make payments to any Subsequent Owner, nor will any proration of lease payments or transfer of lease dollars be required upon conveyance of any portion of the Property.
6. **Stocking Rate:** Lessee agrees to stock the Property with livestock at an animal rate no greater than the industry standard for commercial livestock operations in Val Verde County, Texas.

7. **Lessor's Obligations:** Lessor, including any Subsequent Owner of any tracts within the Property, will be obligated to:

a. **Preserve Fences.** Lessor shall give Lessee at least 30 days' notice of any intent to remove or alter existing fences to give Lessee the opportunity to maintain control of livestock located on the ranch.

b. **Close Gates.** Lessor agrees to keep all gates, both perimeter and interior, closed.

c. **Fence Out Personal Property.** Lessor shall be required 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 liable for damage to property caused by Lessee's livestock that results from the failure to properly and securely fence out.

d. **Cancellation by Fencing.** If Lessor erects a fence, such action will be construed as a cancellation of this Grazing Lease as to the fenced portion of the Property. If a Subsequent Owner cancels this Grazing Lease by fencing, it will be the responsibility of the Subsequent Owner to qualify for and obtain an agricultural or other special use appraisal, commonly known as an "ag exemption," if desired by the Subsequent Owner for the fenced portion of its property.

8. **Lessor's Reservations.** Lessor hereby reserves:

a. **Hunting Rights.** Lessor reserves for its use and the use of its successors and assigns, including any Subsequent Owners of any tracts within the Property, all hunting privileges associated with the Property. Lessor it and its successors or assigns, including any Subsequent Owners of any tracts within the Property, 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 Lessor, including any Subsequent Owners of any tracts within the Property, for any damages to Lessee's livestock as a result of hunting activities on the Property.

b. **Access to the Property.** Lessor reserves for itself and its employees, agents, and representatives, the right to enter the Property at all times.

c. **Use of the Property.** Lessor reserves the right to use the Property for any purpose other than grazing livestock so long as such use does not materially interfere with Lessee's rights hereunder. Lessor may assign whatever rights or reservations Lessor has under this Grazing Lease.

9. **Right to Terminate Lease.** Lessor or Lessee may terminate this Grazing Lease in writing at any time.

**10. Lessee's Required Notice to Subsequent Owners.** If all or part of the Property is sold, Lessor shall cause any Subsequent Owner of any portion of the Property to assume in writing this Grazing Lease. By assuming this Grazing Lease, the Subsequent Owner acknowledges that any cancellation of the Grazing Lease or changes to the use of the Property conveyed to the Subsequent Owner may trigger the assessment of "roll back" taxes. If roll back taxes are assessed following the Subsequent Owner's cancellation of the Grazing lease or the Subsequent Owner's changes to the use of the Property, the Subsequent Owner shall be liable for and pay any and all roll back taxes assessed against the Subsequent Owner's property.

Any Subsequent Owner of a portion of the Property may be entitled to a cancellation of the Grazing Lease on the Subsequent Owner's property by constructing a fence and/or cattle guards that meet local standards and are approved by Lessor and Lessee to be adequate to keep Lessee's livestock off the Subsequent Owner's property. After construction and approval of the fence, the Subsequent Owner must give Lessee 30 days' notice of intent to cancel this Grazing Lease. Upon satisfying these conditions to the approval of the Lessor and Lessee, a Subsequent Owner shall be entitled to a release of its property from this Grazing Lease.

**11. Assignment and Sublease by Lessee.** Lessee shall have the right to assign this Grazing Lease or sublease under this Grazing Lease.

**12. No Partnership.** This Grazing Lease shall not be deemed to give rise to a partnership agreement between Lessor and Lessee and neither Lessor nor Lessee shall have the right or authority to obligate the other for any debts incurred in connection with Lessor and Lessee's respective activities upon the Property. Further, Lessee covenants and agrees not to permit any person to perfect a lien upon the Property in connection with Lessee's activities on the Property.

**13. Enforceability.** This Grazing Lease shall be binding upon Lessor and Lessee, and their respective heirs, legal representatives, successors, and assigns. This Grazing Lease shall be governed by 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 Val Verde County, Texas.

**14. No Representations.** Lessee acknowledges that Lessor has made no representations or warranties, written or verbal, express or implied, with respect to the condition of the Property or of the adequacy of the Property for livestock grazing activities.

**15. Attorney's Fee:** In the event of any dispute concerning this Grazing Lease, the prevailing party in any litigation shall be entitled to recover in addition to any other relief, such attorney's fees and costs incurred.


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IN WITNESS HEREOF, Lessor and Lessee have executed this lease effective as of the <sup>9<sup>th</sup></sup> ~~1<sup>st</sup>~~  
day of February, 2023. ~~2024~~

Lessor:

  
\_\_\_\_\_  
ROCK PILE CONSTRUCTION, LLC

Lessee:

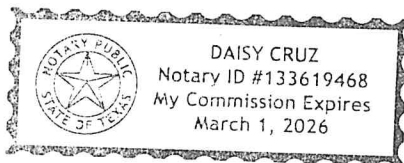
  
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BURK RANCH OPERATIONS, LLC

STATE OF TEXAS                   §  
  §  
COUNTY OF VAL VERDE       §

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Before me the undersigned notary public on this day personally appeared JUSTIN BURK, Manager of ROCK PILE CONSTRUCTION, LLC, proved to me through proper identification to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed and in the capacity therein stated.

Given under my hand and seal of office this 9 day of February, <sup>2024</sup>~~2023~~.

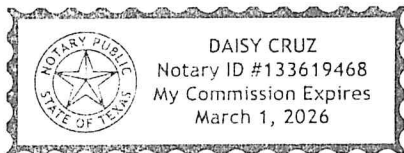


Daisy Cruz  
Notary Public, State of Texas

STATE OF TEXAS                   §  
  §  
COUNTY OF VAL VERDE       §

Before me the undersigned notary public on this day personally appeared JUSTIN BURK, Manager of BURK RANCH OPERATIONS, LLC, proved to me through proper identification to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed and in the capacity therein stated.

Given under my hand and seal of office this 9 day of February, <sup>2024</sup>~~2023~~.



Daisy Cruz  
Notary Public, State of Texas