

**GRAZING LEASE
AND
OUTLOT AGREEMENT**

THIS GRAZING LEASE AND OUTLOT AGREEMENT (the "Agreement") is made and entered into as of the 1st day of January, 2014 (the "effective date"), between **Michigan Hill Owner's Association, Inc.** ("MHOA") and **Carol Sue Carrington and Abby Gail Carrington** (the "Carringtons") on the terms and conditions set forth below.

RECITALS

WHEREAS, a dispute arose between the parties as to whether the Carringtons had obtained adverse possession of a parcel of real property owned by MHOA known as Outlots C and E; and

WHEREAS, the Carringtons were in need of additional grazing and pasturage land for their livestock; and

WHEREAS, MHOA has certain land adjacent to the Carringtons' real property known as the "burn pit area" that may be appropriate for the grazing and pasturage of the Carringtons' livestock; and

WHEREAS, the Carringtons wish to sell and convey any interest they have in Outlots C and E in consideration of the leasing of alternate real property owned by MHOA known as the "burn pit area", all as more particularly described herein; and

NOW THEREFORE, in consideration of the above recitals, the terms and covenants of this Agreement, and other valuable consideration, the receipt and sufficiency of which is acknowledged, the parties agree as follows:

I. GRAZING LEASE

A. Lease of Grazing Property. MHOA leases to the Carringtons and the Carringtons lease from MHOA the property known as the "southern burn pit area" more particularly described in Exhibit A attached hereto (the "Grazing Premises").

B. Term and Option. The lease shall commence on the above-stated effective date and shall be for a term of twenty (20) years ending December 31, 2034, or until terminated as provided herein, on the terms and conditions set forth in this Agreement.

C. Use of Grazing Premises. The Grazing Premises shall be used by the Carringtons solely and exclusively for the pasturage and grazing of cattle, horses and burros. The Carringtons shall not permit others to use the Grazing Premises for pasturage or grazing, nor permit the Carringtons' cattle, horses or burros to graze or run at large over lands not under lease. The Carringtons agree to use industry accepted, good range management and resource conservation practices. The Carringtons shall conduct all grazing operations on the Grazing Premises in a manner that protects soil fertility and forage production and does not contribute to soil erosion, over-grazing, noxious weeds or pests. The Carringtons shall not cut or damage or allow to be cut or damaged any timber or standing trees that may be upon said Grazing Premises.

