



City of Beaumont

November 14, 2003

Mr. Lewis Marshall
P. O. Box 684
Nome, TX 77629

Re: Grazing Lease / 600 acres in the Christian Hillebrandt League

Dear Mr. Marshall:

The purpose of this letter is to acknowledge the receipt of your rental payment for the lease referenced above, and to extend the lease for an additional ten (10) year term. The extended term will commence on December 1, 2003, and will end on November 31, 2013.

As provided in the lease agreement, the City retains the right to terminate our agreement by giving thirty (30) days written notice. Either party may exercise the right to terminate.

Also, you have agreed to increase the annual rental payments to \$1,200. Please ensure that all future payments are for the full amount agreed upon. Payments may be remitted to the following address:

Cash Management Division
P. O. Box 3827
Beaumont, TX 77704

If you have any questions concerning this matter, please do not hesitate to call.

Sincerely,

Kirby Richard
Central Services Director

KR:bd

cc: Joe Majdalani, Water Utilities Manager
Cash Management Division

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THE STATE OF TEXAS X

COUNTY OF JEFFERSON X

GRAZING LEASE

THIS GRAZING LEASE entered into by and between LEWIS MARSHALL of the County of Jefferson and the State of Texas, hereinafter referred to as "Lessee" and the CITY OF BEAUMONT, a municipal corporation domiciled in Jefferson County, Texas, hereinafter referred to as "Lessor".

I.

Lessor does hereby lease, demise and let unto Lessee that certain 600 acre tract of land, more or less, owned by Lessor in the Christian Hillebrandt League, Abstract 28, Jefferson County, Texas. The "Land" is depicted on Exhibit "A" attached hereto and made a part hereof for all purposes;

II.

This lease can be terminated by either the Lessee or the Lessor by giving a thirty (30) day written notice (subject to extension of time as may be granted) at the addresses hereinafter set forth. Unless sooner terminated as hereinafter provided, this Grazing Lease shall commence December 7, 1993, and shall end November 31, 2003, with a ten (10) year option to renew the said lease.

III.

The annual rental for the land leased hereunder shall be the sum of \$600.00 per year payable in advance. In lieu of the lease payment for the first two (2) years of this lease, Lessee agrees to fence the area not bounded by the Hillebrandt Bayou. Lessee also agrees to spray with an environmentally safe and approved product to kill the trees and to inhibit the growth of trees on the leased premises during the period of this lease. All rental payments shall be made to Lessor at the address hereinafter set forth.

IV.

Lessee's use of the land shall be limited to the grazing of cattle and other stock, and Lessee shall not have the right to hunt on or to grant hunting leases with respect to the land. Lessee shall be obligated to construct and maintain fences sufficient to keep all of Lessee's stock from entering any adjoining or contiguous land which is not owned or leased by Lessee. At his expense, Lessee may remove all fences built by him within thirty (30) days after termination of this Grazing Lease or any extension hereof, and upon his failure to do so within such 30-day period, all fences shall remain on the land and shall become the property of Lessor.

V.

This Lease is subject to the Drill Sites granted in the deed from Harry Holloway, and wife to the City of Beaumont and filed under Film Code # 103 03 0258 in the Jefferson County Deed Records of Jefferson County, Texas.

VI.

Lessee agrees to indemnify and hold Lessor harmless from and against any and all claims, demands, suits, damages, costs and expenses, including reasonable attorney's fees for the defense thereof, arising from the conduct or management of Lessee's business or its use of the leased premises or from any breach on the part of Lessee of any conditions of this lease, or from any act or negligence of Lessee, its agents, contractors, employees, sub-tenants, guests or invitees in or about the leased premises and specifically including negligence of Lessee. In case of any action or proceeding brought against Lessor by reason of any such claim, Lessee, upon notice from Lessor, covenants to defend such action or proceeding by counsel acceptable to Lessor.

VII.

All notices to be given under this Grazing Lease shall be sent by certified mail, return receipt requested, addressed to the respective parties as follows:

if to Lessor: City Manager
 City of Beaumont
 P. O. Box 3827
 Beaumont, Texas 77704

if to Lessee: Lewis Marshall
 Route 6, Box 501
 Beaumont, Texas 77705

VIII.

Lessee shall not have the right to assign this Grazing Lease or to sublet any portion of the land without the prior written consent of Lessor.

IX.

If Lessee fails to carry out any material provision of this Grazing Lease and such failure shall continue for a period of thirty (30) days after written notice from Lessor, then in addition to compensation for damages, Lessor shall have the right to terminate this Grazing Lease.

X.

This Grazing Lease shall be governed by and construed in accordance with the laws of the State of Texas.

EXECUTED THIS 16th day of December, 1993.

THE CITY OF BEAUMONT

By Ray A. Riley
Ray A. Riley
City Manager

Lewis Marshall
Lewis Marshall

THE STATE OF TEXAS X

COUNTY OF JEFFERSON X

BEFORE ME, the undersigned authority, on this day personally appeared Ray A. Riley, City Manager of the City of Beaumont, known to me 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 and as the act and deed of said corporation.

GIVEN UNDER MY HAND and seal of office on this the 16th day of December 1993.



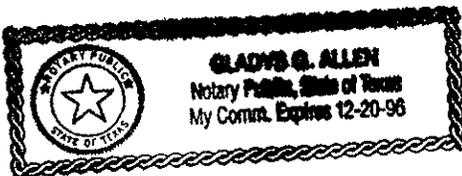
Barbara Spring
Notary Public, State of Texas

THE STATE OF TEXAS X

COUNTY OF JEFFERSON X

BEFORE ME, the undersigned authority, on this day personally appeared Lewis Marshall, known to me 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.

GIVEN UNDER MY HAND and seal of office on this the 9th day of December 1993.



Gladys G. Allen
Notary Public, State of Texas

RETURN TO: Gladys G. Allen
City of Beaumont
Real Property Division
P. O. Box 3827
Beaumont, Texas 77704

Proposed Grazing Lease
600 Acres Out of
the Christian Hillebrandt Survey
Lessee : Lewis Marshall

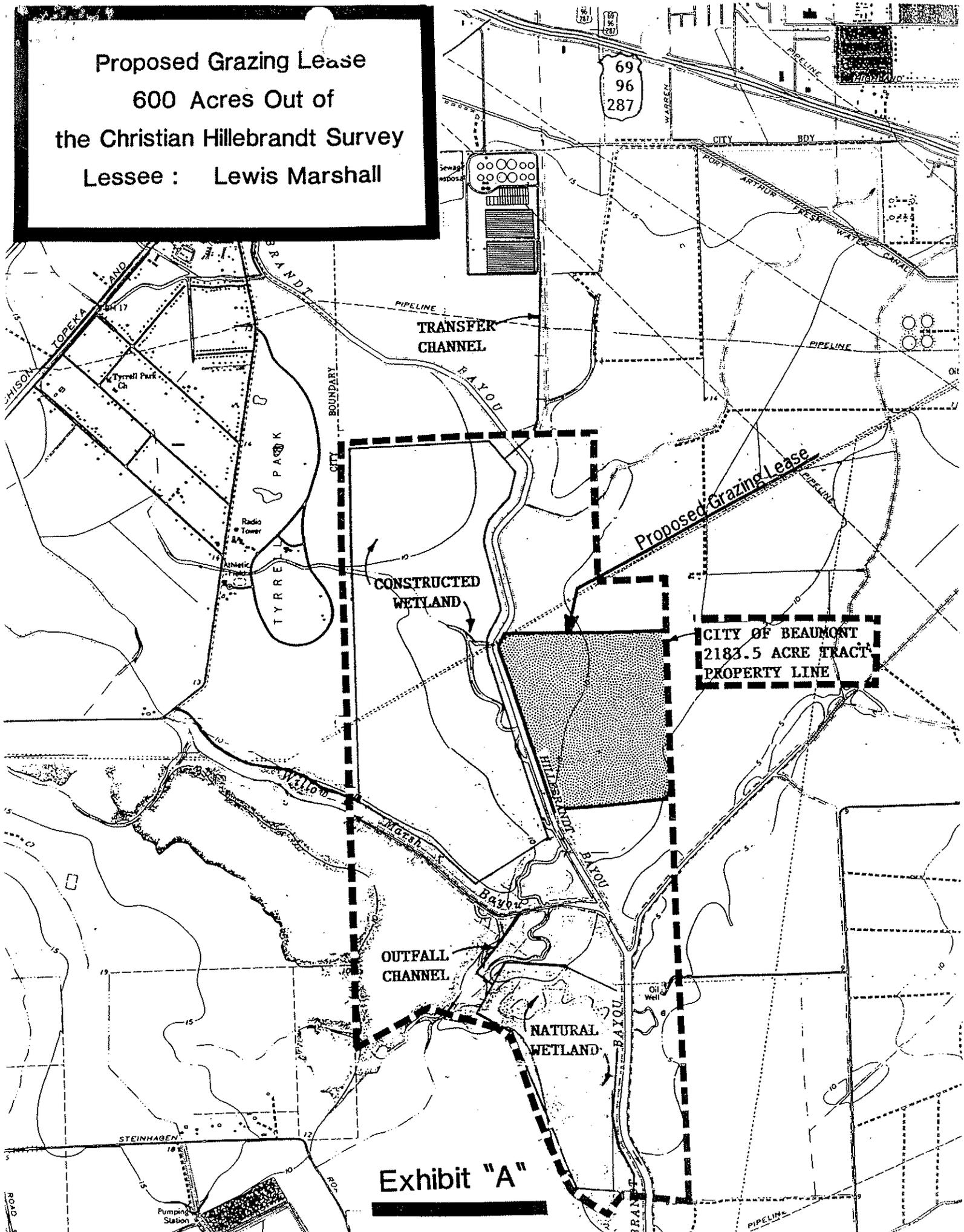


Exhibit "A"

RESOLUTION NO. 93-301

BE IT RESOLVED BY THE CITY COUNCIL

OF THE CITY OF BEAUMONT:

THAT the City Manager be and he is hereby authorized to execute a Grazing Lease on six hundred acres of land out of the Christian Hillebrandt Survey to Mr. Lewis Marshall. The lease is substantially in the form attached hereto.

PASSED BY THE CITY COUNCIL of the City of Beaumont this the 7th day of December, 1993.



Guy N. Goodson
- Mayor -
Pro Tempore