

379

The proceeds from the sale of all dry and cull cattle sold during the term of this Lease shall belong to the Lessor, with the exception of the four (4) bulls in service as of October 15, 1972 and those cattle bearing the Lessor's brands which will be credited to the Lessor. The proceeds of the sale of all bulls sold during the years 1973 and 1974 shall belong to the Lessor. The proceeds of the sale of all bulls sold thereafter shall be divided equally between the Lessor and the Lessees.

The Lessees covenant and agree to furnish to the Lessor a full count of all cows, calves, yearlings, and bulls at the date of possession on October 15, 1972 and twice yearly thereafter for each year in which this Lease is in effect, on January 1 and July 1 of each such year, providing the following information:

1. A full count of all calves born;
2. A full count of all calves branded;
3. A full count of all cattle lost.

It is further agreed that 2/3 of all registered Charolaise herd calves born each year shall belong to the Lessor and the remaining 1/3 shall be the property of the Lessees. All such calves born shall be branded each year at branding time.

The Lessor agrees to pay one-half of the cost of the replacement of the registered bulls, the Lessees paying the remaining one-half.

#### PURCHASE OF MACHINERY

It is further covenanted and agreed that the Lessees shall enter into a separate purchase agreement with the Lessor for the purchase of certain machinery and equipment upon terms specified in a separate agreement to be incorporated herein by reference and made a part hereof.

#### INSURANCE

The Lessees covenant and agree to maintain a policy of liability insurance by a recognized insurance company licensed