

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

January 30, 2015

Date of Report (Date of earliest event reported)

**Multiplayer Online Dragon, Inc.**  
(Exact Name of Registrant as Specified in Charter)

**Nevada**  
(State or other jurisdiction of incorporation)

**000-54030**  
(Commission File Number)

**N/A**  
(IRS Employer Identification No.)

**2068 North Valley Mills Road**  
**Waco, TX 76710**  
(Address of Principal Executive Offices)

**(646) 653-1910**  
(Registrant's telephone number, including area code)

9477 Greenback Lane, Suite 524A  
Folsom, CA 95630  
(Former Name or Former Address, if Changed Since Last Report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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## Cautionary Notice Regarding Forward-Looking Statements

*This Current Report on Form 8-K ("Form 8-K") and other reports filed by the Registrant from time to time with the Securities and Exchange Commission (collectively the "Filings") contain or may contain forward-looking statements and information that are based upon beliefs of, and information currently available to, the Registrant's management as well as estimates and assumptions made by the Registrant's management. When used in the filings the words "anticipate," "believe," "estimate," "expect," "future," "intend," "plan" or the negative of these terms and similar expressions as they relate to the Registrant or the Registrant's management identify forward-looking statements. Such statements reflect the current view of the Registrant with respect to future events and are subject to risks, uncertainties, assumptions and other factors (including the risks contained in the section of this report entitled "Risk Factors") relating to the Registrant's industry, the Registrant's operations and results of operations and any businesses that may be acquired by the Registrant. Should one or more of these risks or uncertainties materialize, or should the underlying assumptions prove incorrect, actual results may differ significantly from those anticipated, believed, estimated, expected, intended or planned.*

*Although the Registrant believes that the expectations reflected in the forward-looking statements are reasonable, the Registrant cannot guarantee future results, levels of activity, performance or achievements. Except as required by applicable law, including the securities laws of the United States, the Registrant does not intend to update any of the forward-looking statements to conform these statements to actual results.*

*Unless otherwise indicated, in this Form 8-K, references to "we," "our," "us," "MYDR," the "Company" or the "Registrant" refer to Multiplayer Online Dragon, Inc., a Nevada corporation and its wholly owned subsidiaries - NaturalShrimp Corporation, a Delaware corporation ("NSC"), and NaturalShrimp Global, Inc., a Delaware corporation ("NS Global").*

## SECTION 1 – REGISTRANT'S BUSINESS AND OPERATIONS

### Item 1.01 Entry into a Definitive Material Agreement

In connection with the closing of the NSH asset acquisition described in Item 2.01 below, on January 30, 2015, Multiplayer Online Dragon, Inc., a Nevada corporation (the "Company"), pledged its stock in NaturalShrimp Corporation, a Delaware corporation ("NSC"), and NaturalShrimp Global, Inc., a Delaware corporation formerly known as NaturalShrimp International, Inc. ("NS Global"), pursuant to the Pledge Agreement described below, to secure payment of obligations in connection with (i) the Business Loan Agreement, dated September 13, 2005, by and among NSH, Amarillo National Bank ("ANB"), NSC, NS Global, NaturalShrimp San Antonio, L.P., Shirley Williams, Gerald Easterling, Mary Ann Untermeyer, and High Plain Christian Ministries Foundation, as amended, modified and assigned (the "Loan Agreement"), and (ii) the Secured Promissory Note, dated September 13, 2005, issued by NSH to ANB in the original principal amount of \$1,500,000, as amended, modified and assigned (the "Note"). The principal amount of the loan was increased to \$2,000,000 on September 16, 2006. Pursuant to the terms of the Note, the interest rate on the loan is 4.236% per annum and there are no prepayment penalties. ANB's rights in the Loan Agreement and the Note have been assigned to Baptist Community Services, a Texas non-profit corporation ("BCS").

On January 30, 2015, the Company entered into a Fifth Forbearance Agreement (the "Forbearance Agreement") with NSH and BCS. Pursuant to the terms of the Forbearance Agreement, BCS has agreed to forbear from exercising any remedies available to it in connection with the Loan Agreement and the Note until the earlier of December 31, 2016, or the date when NSH fails to perform its covenants and obligations under the Forbearance Agreement.

In connection with the Forbearance Agreement, the Company entered into a Stock Pledge Agreement (the "Pledge Agreement"), dated January 30, 2015, with BCS, pursuant to which the Company pledged its capital stock in NSC and NS Global, as collateral for the prompt payment in full of the amounts owed under the Note when due.

The foregoing descriptions of the Loan Agreement, Note, Forbearance Agreement and Pledge Agreement are qualified in their entirety by reference to the provisions of the Loan Agreement, Note, Forbearance Agreement, and Pledge Agreement filed as exhibits 10.1, 10.2, 10.4, and 10.5 to this Current Report on Form 8-K (the "Report"), respectively, which are incorporated herein by reference.

## SECTION 2 – FINANCIAL INFORMATION

### Item 2.01 Completion of Acquisition or Disposition of Assets

#### NSH Asset Acquisition

On January 30, 2015, the Company consummated the acquisition of substantially all of the assets (the “Assets”) of NSH pursuant to an Asset Purchase Agreement, dated November 26, 2014, by and between the Company and NSH (the “Agreement”).

In accordance with the terms of the Agreement, the Company issued 75,520,240 shares of its common stock (the “Shares”) to NSH as consideration for the Assets, which consist primarily of all of the issued and outstanding shares of capital stock of NSC and NS Global, and certain real property located in San Antonio, Texas (the “Transaction”). As a result of the Transaction, NSH acquired 88.62% of the Company’s issued and outstanding shares of common stock, NSC and NS Global became the Company’s wholly-owned subsidiaries, and the Company is changing its principal business to a global shrimp farming company.

There were no material relationships between the Company and NSH or between the Company’s or NSH’s respective affiliates, directors, or officers or associates thereof, other than in respect of the Agreement.

#### Description of Business

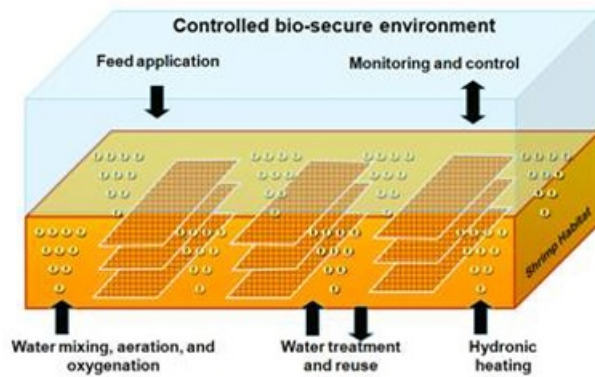
##### *Overview*

NSC and NS Global are biotechnology companies that have developed a proprietary technology that allows them to grow Pacific white shrimp in an ecologically controlled, high-density, low-cost environment, and in fully contained and independent production facilities. Their system uses technology which allows them to produce a naturally-grown shrimp “crop” weekly, and accomplishes this without the use of antibiotics or toxic chemicals. They have developed several proprietary technology assets, including a knowledge base that allows them to produce commercial quantities of shrimp in a closed system with a computer monitoring system that automates, monitors and maintains proper levels of oxygen, salinity and temperature for optimal shrimp production. Their initial production facility is located outside of San Antonio, Texas, and they hold a minority interest in a Norwegian company that owns and operates a production facility in Medina del Campo, Spain, using the NaturalShrimp system.

##### *Vibrio Suppression Technology*

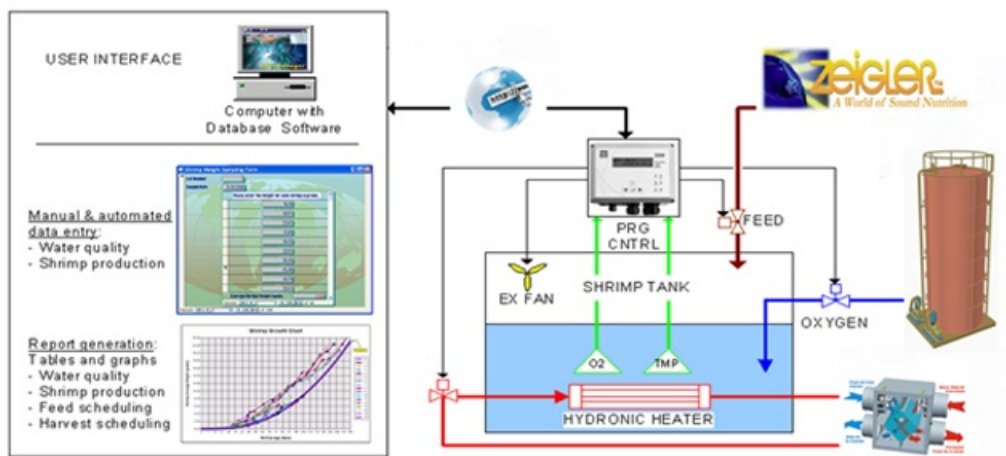
Historically, efforts to raise shrimp in a high-density, closed system at the commercial level have met with either modest success or outright failure through “BioFloc Technology”. Infectious agents such as parasites, bacteria and viruses are the most damaging and most difficult to control. Bacterial infection can in some cases be combated through the use of antibiotics (although not always), and in general the use of antibiotics is considered undesirable and counter to “green” cultivation practices. Viruses can be even worse in that they are immune to antibiotics, and once introduced to a shrimp population viruses can wipe out entire farms and shrimp populations, even with intense probiotic applications.

Our primary solution against infectious agents is our “Vibrio Suppression Technology”. We believe this system creates higher sustainable densities, consistent production, improved growth and survival rates and improved food conversion without the use of antibiotics, probiotics or unhealthy anti-microbial chemicals. Vibrio Suppression Technology helps to exclude and suppress harmful organisms that usually destroy “BioFloc” and other enclosed technologies. The diagram below provides a general outline of our Vibrio Suppression Technology at work.



#### ***Automated Monitoring and Control System***

Our Automated Monitoring and Control System uses individual tank monitors, as shown below, to automatically control the feeding, oxygenation, and temperature of each of the facility tanks independently. In addition, a facility computer running custom software communicates with each of the controllers and performs additional data acquisition functions that can report back to a supervisory computer from anywhere in the world. These computer automated water controls optimize the growing conditions for the shrimp as they mature to harvest size, providing a disease-resistant production environment.



#### **Risk Factors**

*You should carefully consider the risks described below together with all of the other information included in our public filings before making an investment decision with regard to our securities. The statements contained in or incorporated into this document that are not historic facts are forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ materially from those set forth in or implied by forward-looking statements. If any of the following events described in these risk factors actually occurs, our business, financial condition or results of operations could be harmed. In that case, the trading price of our common stock could decline, and you may lose all or part of your investment. Moreover, additional risks not presently known to us or that we currently deem less significant also may impact our business, financial condition or results of operations, perhaps materially.*

## **Risks Related to Our Business and Industry**

### ***The market for our product may be limited, and as a result our business may be adversely affected.***

The feasibility of marketing our product has been assumed to this point and there can be no assurance that such assumptions are correct. It is possible that the costs of development and implementation of our shrimp production technology may be too expensive to market our shrimp at a competitive price. It is likewise possible that competing technologies will be introduced into the marketplace before or after the introduction of our product to the market, which may affect our ability to market our product at a competitive price.

Furthermore, there can be no assurance that the prices we determine to charge for our product will be commercially acceptable or that the prices that may be dictated by the market will be sufficient to provide to us sufficient revenues to profitably operate and provide a financial return to our investors.

### ***Our business and operations are affected by the volatility of prices for shrimp.***

Our business, prospects, revenues, profitability and future growth are highly dependent upon the prices of and demand for shrimp. Our ability to borrow and to obtain additional capital on attractive terms is also substantially dependent upon shrimp prices. These prices have been and are likely to continue to be extremely volatile for seasonal, cyclical and other reasons. Any substantial or extended decline in the price of shrimp will have a material adverse effect on our financing capacity and our prospects for commencing and sustaining any economic commercial production. In addition, increased availability of imported shrimp can affect our business by lowering commodity prices. This could reduce the value of inventories, held both by us and by our customers, and cause many of our customers to reduce their orders for new products until they can dispose of their higher cost inventories.

### ***Market demand for our products may decrease.***

We face competition from other producers of seafood as well as from other protein sources, such as pork, beef and poultry. The bases on which we expect to compete include:

- price;
- product quality;
- brand identification; and
- customer service.

Demand for our products will be affected by our competitors' promotional spending. We may be unable to compete successfully on any or all of these bases in the future, which may have a material adverse effect on our revenues and results of operations.

Moreover, although historically the logistics and perishability of seafood has led to regionalized competition, the market for fresh and frozen seafood is becoming increasingly globalized as a result of improved delivery logistics and improved preservation of the products. Increased competition, consolidation, and overcapacity may lead to lower product pricing of competing products that could reduce demand for our products and have a material adverse effect on our revenues and results of operations.

***If we do not have access to all of the equipment, supplies, materials and services needed, we may have to suspend our operations as a result.***

Competition and unforeseen limited sources of supplies in the industry may result in occasional spot shortages of equipment, supplies and materials. In particular, we may experience possible unavailability of post-larvae and materials and services used in our shrimp production facilities. Such unavailability could result in increased costs and delays to our operations. If we cannot find the products, equipment and materials that we need on a timely basis, we may have to suspend our production plans until we find the products, equipment and materials that we need.

***If we lose our key management and technical personnel, our business may be adversely affected.***

In carrying out our operations, we will rely upon a small group of key management and technical personnel including our Chief Executive Officer, Chairman of the Board and President. We do not currently maintain any key man insurance. An unexpected partial or total loss of the services of these key individuals could be detrimental to our business.

***Our expansion plans for our shrimp production facilities reflects our current intent and is subject to change.***

Our current plans regarding expansion of our shrimp production facilities are subject to change. Whether we ultimately undertake our expansion plans will depend on the following factors, among others:

- availability and cost of capital;
- current and future shrimp prices;
- costs and availability of post-larvae shrimp, equipment, supplies and personnel necessary to conduct these operations;
- success or failure of activities in similar areas;
- changes in the estimates of the costs to complete production facilities; and
- decisions of operators and future joint venture partners.

We will continue to gather data about our production facilities, and it is possible that additional information may cause us to alter our schedule or determine that a certain facility should not be pursued at all.

***Our product is subject to regulatory approvals and if we fail to obtain such approvals, our business may be adversely affected.***

Most of the jurisdictions in which we operate will require us to obtain a license for each facility owned and operated in that jurisdiction. We have obtained and currently hold a license to own and operate each of our facilities where a license is required. In order to maintain the licenses, we have to operate our current farms and, if we pursue acquisitions or construction of new farms, we will need to obtain additional licenses to operate those farms, where required. We are also exposed to dilution of our licenses where a government issues new licenses to fish farmers other than us, thereby reducing the current value of our fish farming licenses. Governments may change the way licenses are distributed or otherwise dilute or invalidate our licenses. If we are unable to maintain or obtain new fish farming licenses or if new licensing regulations dilute the value of our licenses, this may have a material adverse effect on our business.

It is possible that regulatory authorities could make changes in regulatory rules and policies and we would not be able to market or commercialize our product in the intended manner and/or the changes could adversely impact the realization of the NaturalShrimp technology market potential.

***Failure to ensure food safety and compliance with food safety standards could result in serious adverse consequences for us.***

As our end products are for human consumption, food safety issues (both actual and perceived) may have a negative impact on the reputation of and demand for our products. In addition to the need to comply with relevant food safety regulations, it is of critical importance that our products are safe and perceived as safe and healthy in all relevant markets.

Our products may be subject to contamination by food-borne pathogens, such as *Listeria monocytogenes*, *Clostridia*, *Salmonella* and *E. Coli* or contaminants. These pathogens and substances are found in the environment; therefore, there is a risk that one or more of these organisms and pathogens can be introduced into our products as a result of improper handling, poor processing hygiene or cross-contamination by us, the ultimate consumer or any intermediary. We have little, if any, control over handling procedures once we ship our products for distribution. Furthermore, we may not be able to prevent contamination of our shrimp by pollutants such as polychlorinated biphenyls, or PCBs, dioxins or heavy metals.

An inadvertent shipment of contaminated products may be a violation of law and may lead to product liability claims, product recalls (which may not entirely mitigate the risk of product liability claims), increased scrutiny and penalties, including injunctive relief and plant closings, by regulatory agencies, and adverse publicity.

Increased quality demands from authorities in the future relating to food safety may have a material adverse effect on our business, financial condition, results of operations or cash flow. Legislation and guidelines with tougher requirements are expected and may imply higher costs for the food industry. In particular, the ability to trace products through all stages of development, certification and documentation is becoming increasingly required under food safety regulations. Further, limitations on additives and use of medical products in the farmed shrimp industry may be imposed, which could result in higher costs for us.

The food industry in general experiences high levels of customer awareness with respect to food safety and product quality, information and traceability. We may fail to meet new and exacting customer requirements, which could reduce demand for our products.

***Our success is dependent upon our ability to commercialize our shrimp production technology.***

We are currently in the production stage but have not yet commenced full commercial operations. Since inception, we have been engaged principally in the research and development of the NaturalShrimp technology. Therefore, we have a limited operating history upon which an evaluation of our prospects can be made. Our prospects must be considered in light of the risk, uncertainties, expenses, delays and difficulties associated with the establishment of a new business in the evolving food industry, as well as those risks encountered in the shift from development to commercialization of new technology and products or services based upon such technology.

We have developed our first commercial system that employs the NaturalShrimp technology but additional work is required to incorporate that technology into a system capable of accommodating thousands of customers, which is the minimum capability we believe is necessary to compete in the marketplace. The principal purpose of seeking investment capital is to provide working capital for our current operations.

***Our shrimp production technology may not operate as intended.***

Although we have successfully tested our NaturalShrimp technology, our approach, which is still fairly new in the industry, may not operate as intended or may be subject to other factors that we have not yet considered. These may include the impact of new pathogens or other biological risks, low oxygen levels, algal blooms, fluctuating seawater temperatures, predation or escapes. Any of the foregoing may result in physical deformities to our shrimp or affect our ability to increase shrimp production, which may have a material adverse effect on our operations.

***Our success is dependent upon our ability to protect our intellectual property.***

Our success will depend in part on our ability to obtain and enforce protection for our intellectual property in the United States and other countries. It is possible that our intellectual property protection could fail. It is possible that the claims for patents or other intellectual property protections could be denied or invalidated or that our protections will not be sufficiently broad to protect our technology. It is also possible that our intellectual property will not provide protection against competitive products, or will not otherwise be commercially viable.

Our commercial success will depend in part on our ability to commercialize our shrimp production without infringing on patents or proprietary rights of others. We cannot guarantee that other companies or individuals have not or will not independently develop substantially equivalent proprietary rights or that other parties have not or will not be issued patents that may prevent the sale of our products or require licensing and the payment of significant fees or royalties in order for us to be able to carry on our business.

***As the owner of real estate, we are subject to risks under environmental laws, the cost of compliance with which and any violation of which could materially adversely affect us.***

Our operating expenses could be higher than anticipated due to the cost of complying with existing and future laws and regulations. Various environmental laws may impose liability on the current or prior owner or operator of real property for removal or remediation of hazardous or toxic substances. Current or prior owners or operators may also be liable for government fines and damages for injuries to persons, natural resources and adjacent property. These environmental laws often impose liability whether or not the owner or operator knew of, or was responsible for, the presence or disposal of the hazardous or toxic substances. The cost of complying with environmental laws could materially adversely affect our results of operations, and such costs could exceed the value of our facility. In addition, the presence of hazardous or toxic substances, or the failure to properly manage, dispose of or remediate such substances, may adversely affect our ability to use, sell or rent our property or to borrow using our property as collateral which, in turn, could reduce our revenue and our financing ability. We have not engaged independent environmental consultants to assess the likelihood of any environmental contamination or liabilities and have not obtained a Phase I environmental assessments on our property. However, even if we did obtain a Phase I environmental assessment report, such reports are limited in scope and may not reveal all existing material environmental contamination.

### **Risks Related to Financing Our Business**

***Expansion of our operations will require significant capital expenditures for which we may be unable to obtain sufficient financing.***

Our need for additional capital may adversely affect our financial condition. We have no sustained history of earnings and have operated at a loss since we commenced business. We have relied, and continue to rely, on external sources of financing to meet our capital requirements, to continue developing our proprietary technology, to build our production facilities, and to otherwise implement our corporate development and investment strategies.

We plan to obtain the future funding that we will need through the debt and equity markets but there can be no assurance that we will be able to obtain additional funding when it is required. If we fail to obtain the funding that we need when it is required, we may have to forego or delay potentially valuable opportunities to build shrimp production facilities or default on existing funding commitments to third parties. Our limited operating history may make it difficult to obtain future financing.

***Our ability to generate positive cash flow is uncertain.***

To develop and expand our business, we will need to make significant up-front investments in our manufacturing capacity and incur research and development, sales and marketing and general and administrative expenses. In addition, our growth will require a significant investment in working capital. Our business will require significant amounts of working capital to meet our production requirements and support our growth.

We cannot provide any assurance that we will be able to raise the capital necessary to meet these requirements. If adequate funds are not available or are not available on satisfactory terms, we may be required to significantly curtail our operations and may not be able to fund our current production requirements — let alone fund expansion, take advantage of unanticipated acquisition opportunities, develop or enhance our products, or respond to competitive pressures. Any failure to obtain such additional financing could have a material adverse effect on our business, results of operations and financial condition.

***Because we may never have net income from our operations, our business may fail.***

We have no history of revenues and profitability from operations. There can be no assurance that we will ever operate profitably. Our success is significantly dependent on uncertain events, including successful development of our technology, establishing satisfactory manufacturing arrangements and processes, and distributing and selling our products.

Before receiving revenues from sales to customers of our products, we anticipate that we will incur increased operating expenses without realizing any revenues. We therefore expect to incur significant losses. If we are unable to generate significant revenues from sales of our products, we will not be able to earn profits or continue operations. We can provide no assurance that we will generate any revenues or ever achieve profitability. If we are unsuccessful in addressing these risks, our business will fail and investors may lose all of their investment in our Company.

## **Risks Related to Doing Business in Foreign Countries**

***Our operations in foreign countries are subject to political, economic, legal and regulatory risks.***

The following aspects of political, economic, legal and regulatory systems in foreign countries create uncertainty with respect to many of the legal and business decisions that we make:

- cancellation or renegotiation of contracts due to uncertain enforcement and recognition procedures of judicial decisions;
- disadvantages of competing against companies from countries that are not subject to U.S. laws and regulations, including the Foreign Corrupt Practices Act;
- changes in foreign laws or regulations that adversely impact our business;
- changes in tax laws that adversely impact our business, including, but not limited to, increases in the tax rates and retroactive tax claims;
- royalty and license fee increases;
- expropriation or nationalization of property;
- currency fluctuations;
- foreign exchange controls;
- import and export regulations;
- changes in environmental controls;
- risks of loss due to civil strife, acts of war and insurrection; and
- other risks arising out of foreign governmental sovereignty over the areas in which our operations are conducted.

Consequently, our development and production activities in foreign countries may be substantially affected by factors beyond our control, any of which could materially adversely affect our business, prospects, financial position and results of operations. Furthermore, in the event of a dispute arising from our operations in other countries, we may be subject to the exclusive jurisdiction of courts outside the United States or may not be successful in subjecting non-U.S. persons to the jurisdiction of the courts in the United States, which could adversely affect the outcome of a dispute.

***The cost of complying with governmental regulations in foreign countries may adversely affect our business operations.***

We may be subject to various governmental regulations in foreign countries. These regulations may change depending on prevailing political or economic conditions. In order to comply with these regulations, we believe that we may be required to obtain permits for producing shrimp and file reports concerning our operations. These regulations affect how we carry on our business, and in order to comply with them, we may incur increased costs and delay certain activities pending receipt of requisite permits and approvals. If we fail to comply with applicable regulations and requirements, we may become subject to enforcement actions, including orders issued by regulatory or judicial authorities requiring us to cease or curtail our operations, or take corrective measures involving capital expenditures, installation of additional equipment or remedial actions. We may be required to compensate third parties for loss or damage suffered by reason of our activities, and may face civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permits governing our operations and activities could affect us in a materially adverse way and could force us to increase expenditures or abandon or delay the development of shrimp production facilities.

***Our international operations involve the use of foreign currencies, which subjects us to exchange rate fluctuations and other currency risks.***

The revenues and expenses of our international operations are generally denominated in local currencies, which subject us to exchange rate fluctuations between such local currencies and the U.S. dollar. These exchange rate fluctuations will subject us to currency translation risk with respect to the reported results of our international operations, as well as to other risks sometimes associated with international operations. In the future, we could experience fluctuations in financial results from our operations outside of the United States, and there can be no assurance we will be able, contractually or otherwise, to reduce the currency risks associated with our international operations.

***Our insurance coverage may be inadequate to cover all significant risk exposures.***

We will be exposed to liabilities that are unique to the products we provide. While we intend to maintain insurance for certain risks, the amount of our insurance coverage may not be adequate to cover all claims or liabilities, and we may be forced to bear substantial costs resulting from risks and uncertainties of our business. It is also not possible to obtain insurance to protect against all operational risks and liabilities. The failure to obtain adequate insurance coverage on terms favorable to us, or at all, could have a material adverse effect on our business, financial condition and results of operations. We do not have any business interruption insurance. Any business disruption or natural disaster could result in substantial costs and diversion of resources.

#### **Risks Related to Ownership of our Common Stock**

***We have limited capitalization and may require financing, which may not be available.***

We have limited capitalization, which increases our vulnerability to general adverse economic and industry conditions, limits our flexibility in planning for or reacting to changes in our business and industry and may place us at a competitive disadvantage to competitors with sufficient or excess capitalization. If we are unable to obtain sufficient financing on satisfactory terms and conditions, we will be forced to curtail or abandon our plans or operations. Our ability to obtain financing will depend upon a number of factors, many of which are beyond our control.

***A limited public trading market exists for our common stock, which makes it more difficult for our stockholders to sell their common stock in the public markets. Any trading in our shares may have a significant effect on our stock prices.***

Although our common stock is listed for quotation on the OTC Pink Marketplace under the symbol “MYDR”, there have not been any reported trades in our common stock for at least the last year. There is currently no active trading market for our common stock and such a market may not develop or be sustained. As a result, any trading price of our common stock on the OTC Pink Marketplace may not be an accurate indicator of the trading price of our common stock. Any trading in our shares could have a significant effect on our stock price. If a public market for our common stock does not develop, then investors may not be able to resell the shares of our common stock that they have purchased and may lose all of their investment. No assurance can be given that an active market will develop or that a stockholder will ever be able to liquidate its shares of common stock without considerable delay, if at all. Many brokerage firms may not be willing to effect transactions in the securities. Even if an Investor finds a broker willing to effect a transaction in our securities, the combination of brokerage commissions, state transfer taxes, if any, and any other selling costs may exceed the selling price. Furthermore, our stock price may be impacted by factors that are unrelated or disproportionate to our operating performance. These market fluctuations, as well as general economic, political and market conditions, such as recessions, interest rates or international currency fluctuations may adversely affect the market price and liquidity of our common stock.

***Our stock price may be volatile.***

The market price of our common stock is likely to be highly volatile and could fluctuate widely in price in response to various factors, many of which are beyond our control, including the following:

- limited “public float” in the hands of a small number of persons whose sales (or lack of sales) could result in positive or negative pricing pressure on the market price for our common stock;
- actual or anticipated variations in our quarterly operating results;
- changes in our earnings estimates;
- our ability to obtain adequate working capital financing;
- changes in market valuations of similar companies;
- publication (or lack of publication) of research reports about us;
- changes in applicable laws or regulations, court rulings, enforcement and legal actions;
- loss of any strategic relationships;
- additions or departures of key management personnel;
- actions by our stockholders (including transactions in our shares);
- speculation in the press or investment community;
- increases in market interest rates, which may increase our cost of capital;
- changes in our industry;
- competitive pricing pressures;
- our ability to execute our business plan; and
- economic and other external factors.

In addition, the securities markets have from time to time experienced significant price and volume fluctuations that are unrelated to the operating performance of particular companies. These market fluctuations may also materially and adversely affect the market price of our common stock.

***Our stock is categorized as a penny stock. Trading of our stock may be restricted by the SEC’s penny stock regulations which may limit a stockholder’s ability to buy and sell our stock.***

Our stock is categorized as a “penny stock”, as that term is defined in SEC Rule 3a51-1, which generally provides that “penny stock”, is any equity security that has a market price (as defined) less than US\$5.00 per share, subject to certain exceptions. Our securities are covered by the penny stock rules, including Rule 15c-9, which impose additional sales practice requirements on broker-dealers who sell to persons other than established customers and accredited investors. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document in a form prepared by the SEC which provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction and monthly account statements showing the market value of each penny stock held in the customer’s account. The bid and offer quotations, and the broker-dealer and salesperson compensation information, must be given to the customer orally or in writing prior to effecting the transaction and must be given to the customer in writing before or with the customer’s confirmation. In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from these rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser’s written agreement to the transaction. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for the stock that is subject to these penny stock rules. Consequently, these penny stock rules may affect the ability of broker-dealers to trade our securities and reduces the number of potential investors. We believe that the penny stock rules discourage investor interest in and limit the marketability of our common stock.

You should be aware that, according to SEC Release No. 34-29093, the market for “penny stocks” has suffered in recent years from patterns of fraud and abuse. Such patterns include: (1) control of the market for the security by one or a few broker-dealers that are often related to the promoter or issuer; (2) manipulation of prices through prearranged matching of purchases and sales and false and misleading press releases; (3) boiler room practices involving high-pressure sales tactics and unrealistic price projections by inexperienced sales persons; (4) excessive and undisclosed bid-ask differential and markups by selling broker-dealers; and (5) the wholesale dumping of the same securities by promoters and broker-dealers after prices have been manipulated to a desired level, along with the resulting inevitable collapse of those prices and with consequent investor losses. The occurrence of these patterns or practices could increase the future volatility of our share price.

***FINRA sales practice requirements may also limit a stockholder’s ability to buy and sell our stock.***

In addition to the “penny stock” rules described above, FINRA has adopted rules that require that in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative low priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer’s financial status, tax status, investment objectives and other information. Under interpretations of these rules, FINRA believes that there is a high probability that speculative low priced securities will not be suitable for at least some customers. The FINRA requirements make it more difficult for broker-dealers to recommend that their customers buy our common stock, which may limit your ability to buy and sell our stock and have an adverse effect on the market for our shares.

***To date, we have not paid any cash dividends and no cash dividends will be paid in the foreseeable future.***

We do not anticipate paying cash dividends on our common stock in the foreseeable future and we may not have sufficient funds legally available to pay dividends. Even if the funds are legally available for distribution, we may nevertheless decide not to pay any dividends. We presently intend to retain all earnings for our operations.

***The existence of indemnification rights to our directors, officers and employees may result in substantial expenditures by our Company and may discourage lawsuits against our directors, officers and employees.***

Our bylaws contain indemnification provisions for our directors, officers and employees, and we have entered into indemnification agreements with our officer and directors. The foregoing indemnification obligations could result in us incurring substantial expenditures to cover the cost of settlement or damage awards against directors and officers, which we may be unable to recoup. These provisions and resultant costs may also discourage us from bringing a lawsuit against directors and officers for breaches of their fiduciary duties, and may similarly discourage the filing of derivative litigation by our stockholders against our directors and officers even though such actions, if successful, might otherwise benefit us and our stockholders.

***If we fail to develop or maintain an effective system of internal controls, we may not be able to accurately report our financial results or prevent financial fraud. As a result, current and potential stockholders could lose confidence in our financial reporting.***

We are subject to the risk that sometime in the future, our independent registered public accounting firm could communicate to the board of directors that we have deficiencies in our internal control structure that they consider to be “significant deficiencies”. A “significant deficiency” is defined as a deficiency, or a combination of deficiencies, in internal controls over financial reporting such that there is more than a remote likelihood that a material misstatement of the entity’s financial statements will not be prevented or detected by the entity’s internal controls.

Effective internal controls are necessary for us to provide reliable financial reports and effectively prevent fraud. If we cannot provide reliable financial reports or prevent fraud, we could be subject to regulatory action or other litigation and our operating results could be harmed. We are required to document and test our internal control procedures to satisfy the requirements of Section 404 of the Sarbanes-Oxley Act of 2002 (the “***Sarbanes-Oxley Act***” or “***SOX***”), which requires our management to annually assess the effectiveness of our internal control over financial reporting.

We currently are not an “accelerated filer” as defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended. Section 404 of the Sarbanes-Oxley Act of 2002 (“***Section 404***”) requires us to include an internal control report with our Annual Report on Form 10-K. That report must include management’s assessment of the effectiveness of our internal control over financial reporting as of the end of the fiscal year. This report must also include disclosure of any material weaknesses in internal control over financial reporting that we have identified. As of March 31, 2014, the management of the Company assessed the effectiveness of the Company’s internal control over financial reporting based on the criteria for effective internal control over financial reporting established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (“***COSO***”) and SEC guidance on conducting such assessments. Management concluded, during the fiscal year ended March 31, 2014, that the Company’s internal controls and procedures were not effective to detect the inappropriate application of U.S. GAAP rules. Management realized there were deficiencies in the design or operation of the Company’s internal control that adversely affected the Company’s internal controls which management considers to be material weaknesses. A material weakness in the effectiveness of our internal controls over financial reporting could result in an increased chance of fraud and the loss of customers, reduce our ability to obtain financing and require additional expenditures to comply with these requirements, each of which could have a material adverse effect on our business, results of operations and financial condition.

Our intended business, operations and accounting are expected to be substantially more complex than they have been in the past. It may be time consuming, difficult and costly for us to develop and implement the internal controls and reporting procedures required by the Sarbanes-Oxley Act. We may need to hire additional financial reporting, internal controls and other finance personnel in order to develop and implement appropriate internal controls and reporting procedures. If we are unable to comply with the internal controls requirements of the Sarbanes-Oxley Act, then we may not be able to obtain the independent accountant certifications required by such act, which may preclude us from keeping our filings with the SEC current.

If we are unable to maintain the adequacy of our internal controls, as those standards are modified, supplemented, or amended from time to time, we may not be able to ensure that we can conclude on an ongoing basis that we have effective internal control over financial reporting in accordance with Section 404. Failure to achieve and maintain an effective internal control environment could cause us to face regulatory action and cause investors to lose confidence in our reported financial information, either of which could adversely affect the value of our common stock.

*As a public company, we will incur significant increased operating costs and our management will be required to devote substantial time to new compliance initiatives.*

Although our management has significant experience in the food industry, it has only limited experience operating the Company as a public company. To operate effectively, we will be required to continue to implement changes in certain aspects of our business and develop, manage and train management level and other employees to comply with ongoing public company requirements. Failure to take such actions, or delay in the implementation thereof, could have a material adverse effect on our business, financial condition and results of operations.

The Sarbanes-Oxley Act, as well as rules subsequently implemented by the SEC, imposes various requirements on public companies, including requiring establishment and maintenance of effective disclosure and financial controls and changes in corporate governance practices. Our management and other personnel will need to devote a substantial amount of time to these new compliance initiatives. Moreover, these rules and regulations will increase our legal and financial compliance costs and will make some activities more time-consuming and costly.

*Our independent registered public accounting firm has issued its audit opinion on our consolidated financial statements appearing in our annual report on Form 10-K, including an explanatory paragraph as to an uncertainty with the respect to our ability to continue as a going concern.*

The report of WDM Chartered Accountants, our independent registered public accounting firm, with respect to our consolidated financial statements and the related notes for the fiscal year ended March 31, 2014, indicates that there was substantial doubt about our ability to continue as a going concern. Our financial statements do not include any adjustments that might result from this uncertainty.

#### **Item 2.03            Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant**

The information provided in Item 1.01 of this Current Report on Form 8-K is incorporated by reference into this Item 2.03.

### **SECTION 3 – SECURITIES AND TRADING MARKETS**

#### **Item 3.02            Unregistered Sales of Equity Securities**

The information provided in Item 2.01 of this Current Report on Form 8-K is incorporated by reference into this Item 3.02.

Pursuant to the Agreement, the Company issued the Shares to NSH. The issuance of the Shares to NSH under the Agreement was exempt from the registration requirements of the Securities Act of 1933, as amended (the “Securities Act”), pursuant to the exemption for transactions by an issuer not involving any public offering under Section 4(a)(2) of the Securities Act and Rule 506 of Regulation D promulgated under the Securities Act (“Regulation D”), such determination based upon representations made by NSH.

### **SECTION 5 – CORPORATE GOVERNANCE AND MANAGEMENT**

#### **Item 5.01.           Changes in Control of Registrant.**

As more fully described in Item 2.01 above, incorporated herein by reference, on January 30, 2015, the Company closed the Transaction. As a result of the closing of the Transaction, NSH acquired 88.62% of the issued and outstanding common stock of the Company.

In connection with this change in control, and as explained more fully in Item 5.02 below, incorporated herein by reference, Mr. William Delgado resigned as President, Secretary and Treasurer of the Company and Messrs. Gerald Easterling, Bill G. Williams, Alexander Baez, Thomas Untermeyer and Scott Stubblefield were appointed as officers of the Company. Effective as of ten (10) days following the date of filing and mailing of an Information Statement pursuant to Section 14(f) of the Securities Exchange Act of 1933, as amended (the “Exchange Act”), and Rule 14f-1 thereunder, or February 5, 2015, Mr. Gerald Easterling and Mr. Bill G. Williams will be appointed as members of the board of directors of the Company.

#### **Item 5.02            Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

##### **(b)            Resignation of Officer**

As a condition to the closing of the Transaction, effective January 30, 2015, Mr. William Delgado resigned as President, Secretary and Treasurer of the Company.

(c) **Appointment of Officers**

As a condition to the closing of the Transaction, effective January 30, 2015, the board of directors of the Company appointed the following individuals (the Incoming Officers) to the positions set forth below:

Name	Office
Bill G. Williams	Chairman of the Board, Chief Executive Officer
Gerald Easterling	President, Secretary
Alexander Baez	Chief Financial Officer
Thomas Untermeyer	Chief Technology Officer
Scott Stubblefield	Director of Sales and Marketing

None of the Incoming Officers have previously held any positions with the Company and there is no arrangement or understanding between the Incoming Officers and any other person(s) pursuant to which they were selected as officers of the Company. The Incoming Officers have no family relationships with any director or executive officer of the Company, or persons nominated or chosen by the Company to become directors or executive officers. Furthermore, the Company is not aware of any transaction involving the Incoming Officers requiring disclosure under Item 404(a) of Regulation S-K, except for the Transaction.

Bill G. Williams – Chairman of the Board and Chief Executive Officer

Mr. Bill G. Williams has served as Chairman of the Board and CEO of NSH since its inception in 2001. From 1997 to 2003, he was Chairman and CEO of Direct Wireless Communications, Inc. and its successor Health Discovery Corporation, a public company listed on the OTCBB exchange. From 1990 to 1997, Mr. Williams was Chairman and CEO of Café Quick Enterprises, which uses a unique, patented air impingement technology to cook fresh and frozen food in vending machines. From 1985 to 1990, Mr. Williams was Chairman and CEO of Ameritron Corporation, a multi-business holding company.

Mr. Williams has also served a member of the board of directors of NaturalShrimp Corporation, NaturalShrimp Global, Inc. and Shrimp Aquaculture since 2001.

Mr. Williams received his doctorate from Texas Chiropractic College in 1957.

Gerald Easterling – Director, President and Secretary

Mr. Gerald Easterling has served as President and a director of NSH since its inception in 2001. Mr. Easterling has experience in the food business and related industries.

In the five years prior to the formation of NSH, Mr. Easterling was Chairman of the Board of Excel Vending Companies. He also was President and Director of Café Quick Enterprises and has been a member of the board since 1988.

Mr. Easterling has also served a member of the board of directors of NaturalShrimp Corporation, NaturalShrimp Global, Inc. and Shrimp Aquaculture since 2001.

Alexander Baez - Chief Financial Officer

Mr. Baez is the interim Chief Financial Officer of the Company. Since October 2013, Mr. Baez has served as a financial advisor to NSH. Mr. Baez was the President of Baez and Sanchez Consulting, LLC, a business consulting company, from October 2011 to December 2014. From August 2008 through April 2014, Mr. Baez was the Chief Financial Officer of Social & Health Research Center, a non-profit organization. Mr. Baez obtained his Master's degree in Business Administration with Honors at Our Lady of the Lake University. He is a member of the Delta Mu Delta, currently holds an active Real Estate License in Texas and is fluent in English and Spanish.

Thomas Untermeyer – Chief Technology Officer

Thomas Untermeyer is a co-founder of NSH, has served as an engineering consultant to NSH since 2001, and is the Company's Chief Technology Officer. Mr. Untermeyer holds a Bachelor of Science in electrical engineering from St. Mary's University. Mr. Untermeyer also serves as Senior Program Manager with Southwest Research Institute, San Antonio. Mr. Untermeyer is the inventor of the initial technology behind the computer-controlled shrimp-raising system used by the Company.

## Scott Stubblefield - Director of Sales and Marketing

Mr. Stubblefield has served as Director of Sales and Marketing of NSH since January 2011. Prior to joining NSH, Mr. Stubblefield served in business and corporate development for Casson Media Group for six years. Mr. Stubblefield attended Cameron University, studying sociology and communications, while on a collegiate golf scholarship.

### **(d) Appointment of Director**

As a condition to the closing of the Transaction, effective as of ten (10) days following the date of filing and mailing of an Information Statement pursuant to Section 14(f) of the Exchange Act and Rule 14f-1 thereunder, or February 5, 2015, Messrs. Gerald Easterling and Bill G. Williams will be appointed as members of the board of directors of the Company. Messrs. Easterling and Williams do not have any family relationships with any other executive officers or directors of the Company, or persons nominated or chosen by the Company to become directors or executive officers. There were no arrangements or understandings pursuant to which Messrs. Easterling and Williams were appointed as members of the board of directors of the Company. Furthermore, the Company is not aware of any transactions requiring disclosure under Item 404(a) of Regulation S-K, except for the Transaction. It is contemplated that Messrs. Easterling and Williams may serve on certain committees of the board of directors, but no such committee appointments have been made at this time. The professional history of Messrs. Easterling and Williams set forth in section (c) above are incorporated herein by reference.

The board of directors of the Company believes that Messrs. Easterling's and Williams' extensive experience in the food industry will be invaluable in achieving the Company's goals.

## **SECTION 9 – FINANCIAL STATEMENTS AND EXHIBITS**

### **Item 9.01 Financial Statements and Exhibits**

#### **(a) Financial Statements of Business Acquired**

The audited financial statements of NSH required pursuant to this Item 9.01(a) will be filed by amendment within 71 calendar days after the date that this Current Report on Form 8-K was required to be filed.

#### **(b) Pro Forma Financial Information**

The pro forma financial information of NSH required pursuant to this Item 9.01(b) will be filed by amendment within 71 calendar days after the date that this Current Report on Form 8-K was required to be filed.

#### **(d) Exhibits**

<a href="#"><u>Exhibit 10.1</u></a>	Business Loan Agreement, dated September 13, 2005, by and among NaturalShrimp Holdings, Inc., Amarillo National Bank, NSC, NaturalShrimp International, Inc., NaturalShrimp San Antonio, L.P., Shirley Williams, Gerald Easterling, Mary Ann Untermeyer, and High Plain Christian Ministries Foundation, as amended, modified and assigned
<a href="#"><u>Exhibit 10.2</u></a>	Secured Promissory Note, dated September 13, 2005, issued by NaturalShrimp Holdings, Inc. to Amarillo National Bank in the original principal amount of \$1,500,000, as amended, modified and assigned
<a href="#"><u>Exhibit 10.3</u></a>	Assignment Agreement, dated March 26, 2009, by and between Baptist Community Services, Amarillo National Bank and NaturalShrimp Holdings, Inc.
<a href="#"><u>Exhibit 10.4</u></a>	Fifth Forbearance Agreement, dated January 30, 2015, by and between the Company, NaturalShrimp Holdings, Inc. and Baptist Community Services
<a href="#"><u>Exhibit 10.5</u></a>	Stock Pledge Agreement, dated January 30, 2015, by and between the Company and Baptist Community Services.
<a href="#"><u>Exhibit 10.6</u></a>	Agreement Regarding Loan Documents, dated January 30, 2015, by and between the Company and NaturalShrimp Holdings, Inc.
<a href="#"><u>Exhibit 10.7</u></a>	Exclusive Rights Agreement, dated August 19, 2014, between NaturalShrimp Holdings, Inc., its subsidiaries and F&T Water Solutions, LLC
<a href="#"><u>Exhibit 10.8</u></a>	Members Agreement, dated August 19, 2014, between NaturalShrimp Holdings, Inc., F&T Water Solutions, LLC and the members of Natural Aquatic Systems, LLC

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**MULTIPLAYER ONLINE DRAGON, INC.**  
a Nevada corporation

Dated: February 11, 2015

By: /s/ Bill G. Williams  
Bill G. Williams  
Chief Executive Officer

## BUSINESS LOAN AGREEMENT

This Business Loan Agreement (this "Agreement") dated as of September 13, 2005, is among Amarillo National Bank (the "Bank"), NaturalShrimp Holdings, Inc., a Delaware corporation (the "Borrower"), NaturalShrimp Corporation, a Delaware corporation ("NSC"), NaturalShrimp International, Inc., a Delaware corporation ("NSI"), NaturalShrimp San Antonio, L.P., a Texas limited partnership ("Partnership" collectively, NSC, NSI and Partnership are referred to herein as the "NS Entities"), Shirley Williams, Gerald Easterling and Mary Ann Untermeyer (the "Controlling Shareholders"), and High Plains Christian Ministries Foundation (the "Guarantor").

WHEREAS, NSC is in Phase One (as defined in Exhibit A attached hereto) of developing and constructing a shrimp production facility in La Coste, Texas (the "Project") which is more fully described on Exhibit A attached hereto;

WHEREAS, the Borrower and the NS Entities desire to finance the Project with the Loan (defined below) which is to be guaranteed by Guarantor (the "Guaranty") in order to provide the best possible financing terms to Borrower;

WHEREAS, the Bank desires to make the Loan on the terms and conditions provided for herein or in documents, instruments or agreements incorporated by reference herein; and

WHEREAS, the Guarantor desires to guarantee the Loan on the terms and conditions provided for herein or in the documents, instruments or agreements incorporates by reference herein.

NOW THEREFORE, in consideration of the foregoing and the mutual promises set forth below, the parties to this Agreement agree as follows:

### Section 1. Principal Amount; Draws.

(a) Subject to the terms and conditions set forth in this Agreement, the Commercial Guaranty Agreement entered into by and among the Bank and Guarantor, dated as of an even date herewith (the "Guaranty Agreement"), the Security Agreement entered into by and among the Bank, Guarantor, NSC and Partnership, dated as of an even date herewith (the "Security Agreement"), the Subordination Agreements entered into by and among Bank, Guarantor and each limited partner of the Partnership, each dated as of an even date herewith (the "Subordination Agreements"), the Pledge Agreements entered into individually by each of the Controlling Shareholders and Borrower, and the Bank and Guarantor, each dated as of an even date herewith (the "Pledge Agreements"), the Stock Purchase Warrant entered into by and between Borrower and Guarantor dated as of an even date herewith (the "Warrant Agreement"), and the Note (defined below), which evidence, secure, govern, guarantee and/or pertain to the Loan, as herein defined (collectively, together with this Agreement, referred to hereinafter as the "Loan Documents"), the Bank hereby agrees to loan to Borrower \$1,500,000.00 (the "Loan") evidenced by a promissory note (the "Note") dated as of even date herewith in the form attached hereto as Exhibit B, the principal of and interest on such loan to be paid in accordance with the terms and provisions of the Loan Documents.

(b) Borrower may draw ("Draw") on the Loan as set forth below:

- (i) Borrower may Draw up to \$600,000.00 after the execution of the Loan Documents. Such Draw may only be used to pay off existing debt of NSC and/or for operating capital for the Project;
- (ii) Borrower may Draw up to an additional \$500,000.00 after Phase One of the Project has been completed and is fully operational, which shall be determined in the sole discretion of Guarantor and Bank. Such additional Draw may only be used to pay for the construction of Phase Two (as defined in Exhibit A attached hereto) of the Project; and
- (iii) Borrower may Draw up to the remaining \$400,000.00 after Phase Two of the Project has been completed and is fully operational, which shall be determined in the sole discretion of Guarantor and Bank. Such additional Draw may only be used to pay for the construction of Phase Three (as defined in Exhibit A attached hereto) of the Project and for the general operating expenses of the Borrower.

### Section 2. Consideration.

(a) Guaranty Fees. In consideration for the Guaranty, Borrower agrees to pay and the NS Entities agree to cause Borrower to pay and to pay in the event Borrower fails to pay, an annual guarantee fee to the Guarantor in the amount of two percent (2%) of the outstanding principal amount of the Loan. This fee is payable in four quarterly installments, each due on the first day of the month following the applicable calendar quarter.

(b) Warrants. In consideration for the Guaranty, Borrower shall issue to Guarantor warrants to purchase 240,000 shares of common stock, par value \$0.01, of Borrower at an exercise price of \$0.50 per share, which shall expire if unexecuted on the fourth anniversary of the date this Agreement is executed as specifically set forth in the Warrant Agreement.

(c) Board Appointments. In consideration for the Guaranty and for so long as the Guaranty is in place, the Guarantor shall have the right to appoint two (2) of the five (5) directors to each of the Board of Directors of NSC, NSI, and Borrower, respectively. In the event the number of directors on the Board of Directors of NSC, NSI or Borrower is increased to more than five (5), then Guarantor shall have the right to appoint that proportion of the total directors of the Board of Directors that is closest to a ratio of two (2) out of five (5). Borrower and the Controlling Shareholders shall cause such appointees to be elected to the Board of Directors of Borrower, NSC and NSI, and neither the Controlling Shareholders nor the Borrower shall remove Guarantor's appointees or take any actions that would cause Guarantor's appointees to be removed without the prior written consent, or direction, from Guarantor; provided, however, Guarantor's appointees may be removed for cause without Guarantor's consent or direction. In such case, Guarantor shall have the right to appoint such appointee's replacement. For purposes of this Agreement for "cause" shall mean that such appointee has been convicted of a felony or a crime of moral turpitude or shall have breached his fiduciary duty as a director to any of the Borrower, NSC or NSI.

Section 3. Reimbursement Costs. The Borrower and the NS Entities agree to pay or reimburse the Bank and the Guarantor for all costs and expenses incurred in connection with the development, preparation, negotiation and execution of this Agreement and the other Loan Documents, including attorneys' fees, in a combined amount not to exceed \$10,000.00. In addition, the Borrower and the NS Entities agree to pay all out of pocket expenses associated with the ongoing monitoring of the credit facility established by this Agreement, including any reasonable attorney fees.

Section 4. Collateral. The Borrower's and NS Entities' obligations to the Bank under the Note and this Agreement and to Guarantor under this Agreement will be secured. In consideration for providing the Guaranty:

(a) NSC and Partnership grant to Bank a first priority security interest and lien and to Guarantor a second priority security interest and lien in the Collateral (as such term is defined in the Security Agreement),

(b) The Partnership agrees to cause its limited partners to execute and deliver to the Bank and Guarantor the Subordination Agreements subordinating their rights and lien in the Collateral to Bank and Guarantor,

(c) The Controlling Shareholders pledge all of their right, title and interest in the capital stock of Borrower to Bank and Guarantor, as more specifically set forth in the Pledge Agreements,

(d) Borrower pledges all of its right, title and interest in the capital stock of NSC and NSI to Bank and Guarantor, as more specifically set forth in the Pledge Agreements, and

(e) Each of the Borrower and the NS Entities, jointly and severally, hereby agree to repay, or cause to be repaid, Guarantor of any and all amounts Guarantor is required to pay to the Bank on behalf of or on account of Borrower or NS Entities pursuant to the Guaranty Agreement or any other Loan Document, together with the interest due thereon plus interest at a rate equal to the lower of 18% or the highest rate of interest allowed by law (the "Maximum Rate").

#### Section 5. Conditions to Closing

(a) The obligation of the Bank to extend any credit or make any additional advances to the Borrower under this Agreement is subject to satisfaction of the following conditions precedent:

(i) Conditions to the First Draw. Before the initial Draw pursuant to Section 1(b)(i) of this Agreement, the Bank must receive the following items, in form and content acceptable to the Bank:

(A) Authorizations. Evidence that the execution, delivery and performance by the Borrower and the NS Entities of this Agreement and any other Loan Document to which they are a party have been duly authorized.

(B) Governing Documents. True and correct copies of the Borrower's and NS Entities' organizational documents all of which are certified by the Secretary of the applicable entity.

(C) Reimbursement of Costs. Payment of all accrued and unpaid expenses incurred by the Bank and/or Guarantor as required by Section 3 of this Agreement.

(D) Good Standing. Certificates of good standing for the Borrower and NS Entities from their state of formation and from any other state in which the Borrower and NS Entities are required to qualify to conduct their business.

(E) Legal Opinion. A written legal opinion of the Borrower's and NS Entities' external legal counsel covering such matters as the Bank and Guarantor may require. Without limiting the generality of the foregoing, the legal counsel and the terms of such opinion must be acceptable to the Bank and Guarantor.

(F) Insurance. Evidence of insurance coverage, as required by Section 8(b) of this Agreement.

(G) Guaranty Agreement. Executed Guaranty Agreement providing for the guarantee by Guarantor of Borrower's and NS Entities' obligations to repay the Loan.

(H) Note. Executed and acknowledged Note delivered to the Bank.

(I) Security Agreement. Executed Security Agreement from NSC and the Partnership as described and required by Section 4(a) of this Agreement.

(J) Subordination Agreements. Executed Subordination Agreements from each of the limited partners of the Partnership as described and required by Section 4(a) of this Agreement.

(K) Pledge Agreements. Executed Pledge Agreements from the Controlling Shareholders and Borrower as described and required by Section 4(c) and 4(d) of this Agreement.

(L) No Adverse Changes. There shall not have occurred any material adverse change since the date of formation in the business, assets, operation, condition (financial or otherwise) or prospects of the Borrower or NS Entities and their subsidiaries or in the facts and information regarding such entities as represented to date. In addition, there have not occurred any material adverse changes since June 30, 2005 in the business, assets, operating condition (financial or otherwise) or prospects of the business previously conducted by NaturalShrimp Corporation, a Texas corporation, and NaturalShrimp International, Inc., a Texas corporation, other than their merger with and into NSC and NSI.

(M) Other Items. Any other item that the Bank may reasonably request.

(ii) Conditions to Each Draw. Before each Draw pursuant to Section 1(b) of this Agreement, the following conditions precedent must be satisfied:

(A) The representations and warranties of the Borrower and the NS Entities contained in this Agreement and the other Loan Documents, shall be true and correct on and as of the date of such Draw, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct as of such earlier date.

(B) A certificate of the President and the Treasurer of Borrower and NS Entities certifying with respect to each entity, that it is in compliance with Section 5(a)(ii)(A):

(C) A certificate of the President and the Treasurer of Borrower and NSC that the conditions to such Draw in Section 1(b) have been satisfied.

(D) No default or event of default under this Agreement or any other Loan Document shall exist or would result from such proposed draw.

(E) All conditions precedent set forth in Section 5(a)(i) shall be satisfied.

(F) All conditions precedent set forth in Section 5(b)(ii) shall be satisfied.

(G) The Borrower and the NS Entities shall provide the Bank with any other item that the Bank may reasonably request.

(b) The obligation of the Guarantor to guarantee the Loan made by the Bank under this Agreement is subject to satisfaction of the following conditions precedent:

(i) Conditions to the First Draw. Before the initial Draw pursuant to Section 1(b) of this Agreement, the Guarantor must receive the following items, in form and content acceptable to the Guarantor:

(A) Deliver of Certain Items. Each item required to be delivered to Bank pursuant to Section 5(a)(i)(A)-(F) shall also be delivered to Guarantor.

(B) Note. A copy of the executed and acknowledged Note which has been delivered to the Bank.

- (C) Guaranty Agreement. Executed Guaranty Agreement providing for the guaranty by Guarantor of Borrower's and NS Entities' obligations to repay the Loan.
  - (D) Security Agreement. Executed Security Agreement from NSC and the Partnership as described and required by Section 4(a) of this Agreement.
  - (E) Subordination Agreements. Executed Subordination Agreements from each of the limited partners of the Partnership as described and required by Section 4(a) of this Agreement.
  - (F) Pledge Agreements. Executed Pledge Agreements from the Controlling Shareholders and Borrower as described and required by Section 4(c) and 4(d) of this Agreement.
  - (G) Warrant Agreement. Executed Warrant Agreement described in Section 2(b) of this Agreement.
  - (H) Charitable Contribution Agreement. Executed Charitable Contribution Agreement by and between Borrower and Baptist Community Services ("BCS") dated as of an even date herewith (the "Charitable Contribution Agreement").
  - (I) Perfection and Evidence of Priority. Financing statements and fixture filings (and any Collateral in which the Guarantor requires a possessory security interest) in order to perfect Guarantor's lien on such assets.
  - (J) Other Agreements. The Borrower and the NS Entities must not be in material breach of any other agreement with Guarantor or its parent, BCS.
  - (K) Other Items. Any other item that the Guarantor may reasonably request.
- (ii) Conditions to Each Draw. Before each Draw pursuant to Section 1(b) of this Agreement, the following conditions precedent must be satisfied:
- (A) All conditions precedent set forth in Section 5(a)(ii) shall be satisfied and each certificate required to be delivered to the Bank pursuant to Section 5(a)(ii) shall also be delivered to the Guarantor.
  - (B) All conditions precedent set forth in Section 5(b)(i) shall be satisfied.
  - (C) The Borrower and the NS Entities shall provide the Guarantor with any other item that the Guarantor may reasonably request.

Section 6. Representations and Warranties. When the Borrower, NS Entities and the Controlling Shareholders sign this Agreement, and until the Bank and/or Guarantor is repaid in full, the Borrower, NS Entities and the Controlling Shareholders make the following representations and warranties. Each request for a Draw pursuant to Section 1(b) of this Agreement constitutes a renewal of these representations and warranties as of the date of the request:

- (a) Formation. The Borrower and NS Entities are duly organized and validly existing under the laws of the state where organized.
- (b) Capitalization. NSC and NSI are wholly owned subsidiaries of Borrower, the Controlling Shareholders own at least 50% of the outstanding voting stock of Borrower, and such percentage is sufficient to control Borrower in all matters submitted to the shareholders of Borrower, except to the extent otherwise provided by law. Borrower has disclosed to Guarantor the number of outstanding shares of all classes of equity of the Borrower as well as all outstanding options, warrants, convertible securities or other obligations contingent or otherwise, to issue equity securities of the Company, and copies of all agreements by or among the equity holders of Borrower have been provided to Guarantor.
- (c) Authorization. This Agreement and the other Loan Documents are within Borrower's and NS Entities' powers, have been duly authorized, and do not conflict with any of their organizational documents.
- (d) Enforceable Agreement. This Agreement is a legal, valid and binding agreement of the Borrower, NS Entities and the Controlling Shareholders, enforceable against them in accordance with its terms, and any instrument or agreement required hereunder, when executed and delivered, will be similarly legal, valid, binding and enforceable except (i) as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, and (ii) as enforceability may be limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

(e) Good Standing. In each state in which the Borrower and the NS Entities do business, they are duly qualified, properly licensed, in good standing, and, where required, in compliance with fictitious name statutes.

(f) No Conflicts. This Agreement does not conflict with any law, agreement, or obligation by which the Borrower, the NS Entities or the Controlling Shareholders are bound. No consent, approval or authorization of any party is required in connection with the execution, delivery or performance of this Agreement.

(g) Financial Information. All financial and other information that has been or will be supplied to the Bank and Guarantor is complete and accurate in all respects and is sufficiently complete to give the Bank and Guarantor accurate knowledge of the Borrower's and NS Entities' financial condition, including all material contingent liabilities. Since the date of the most recent financial statement provided to the Bank and Guarantor, there has been no material adverse change in the business condition (financial or otherwise), operations, properties or prospects of the Borrower and NS Entities.

(h) Lawsuits. There is no lawsuit, tax claim or other dispute pending or, to Borrower's, the NS Entities' or the Controlling Shareholders' knowledge, threatened against the Borrower, the NS Entities or the Controlling Shareholders.

(i) Permits, Franchises. The Borrower and the NS Entities possess all permits, memberships, franchises, contracts and licenses required and all trademark rights, trade name rights, patent rights and fictitious name rights necessary to enable them to conduct the business in which it is now engaged.

(j) Compliance with Laws. The Borrower and the NS Entities are not in violation of any applicable law and no event has occurred or circumstance exists' that (with or without notice or lapse of time) (a) may constitute or result in a violation or failure of the Borrower and/or the NS Entities to comply with any law or (b) give rise to any obligation of the Borrower and/or the NS Entities to undertake, or bear all or any portion of the cost of, any remedial action of any nature. Neither Borrower nor the NS Entities have received any notice or other communication from any governmental authority or other person or entity regarding (A) any actual, alleged, possible or potential violation of, or failure to comply with, any law or (B) any actual, alleged, possible or potential obligation to undertake, or bear all or any portion of the cost of, any remedial action of any nature.

(k) Other Obligations. The Borrower and the NS Entities are not in default on any material obligation for borrowed money, any purchase money obligation or any other material lease, commitment, contract, instrument or obligation, except as have been disclosed in writing to the Bank and Guarantor.

(l) Tax Matters. The Borrower, the NS Entities and the Controlling Shareholders have no knowledge of any pending assessments or adjustments of the Borrower's or the NS Entities income tax for any year and all taxes due have been paid, except as have been disclosed in writing to the Bank and Guarantor.

(m) No Event of Default. There is no event which is, or with notice or lapse of time or both would be, a default under this Agreement.

(n) Insurance. The Borrower and the NS Entities have obtained, and maintained in effect, the insurance coverage required by Section 8(b) of this Agreement.

(o) Collateral. All Collateral is owned by NSC or Partnership free of any title defects or any liens or interests of others, except those which have been approved by the Guarantor in writing and those which have been granted to the limited partners of the Partnership, and is located at the addresses listed aside NSC's and Partnership's signatures to this Agreement, except for stock certificates that have been delivered to Bank.

(p) Real Property. The Borrower and the NS Entities own the real property upon which the Project will be constructed (approximately 11.72 acres in Medina County, Texas) free and clear of all liens and encumbrances and any other restrictions that may have an adverse effect on the Project and the Borrower and the NS Entities shall not dispose of, transfer, or sell such real property or any buildings or fixtures thereon without the prior written consent of the Bank and Guarantor.

(q) No Liens. NSI owns free and clear of all liens and encumbrances and of any other restrictions that may have an adverse effect on the Project, all intellectual property related to the Project, including the plans, processes, methods and trade secrets related thereto and has licensed such intellectual property to NSC. NSC has sublicensed the intellectual property related to the Project to the Partnership.

(r) Location. The Borrower's and the NS Entities' places of business (or, if the Borrower or the NS Entities have more than one place of business, their chief executive office) is located at the address listed under their signatures to this Agreement.

(s) No Adverse Conditions. To the knowledge of Borrower, the NS Entities or the Controlling Shareholders, there is no condition, circumstance, event, fact or series of conditions, circumstances, events or facts that would cause Borrower or NS Entities to be unable, or reasonably likely to be unable, to repay the Loan (both principal of and interest thereon) according to the terms and conditions of this Agreement and the Note.

Section 7. Reporting Requirements. The Borrower and NS Entities agree, so long as credit is available under this Agreement and until the Bank and/or Guarantor is repaid in full, to provide the following financial information and statements in form and content acceptable to the Bank and Guarantor:

(a) Annual Financial Statements. Within 90 days after the end of each fiscal year of Borrower and NS Entities, unaudited financial statements of Borrower and NS Entities certified by the President and Treasurer of each entity. These financial statements shall include a balance sheet, an income statement, and a cash flow statement.

(b) Quarterly Financial Statements. Within 30 days of the end of each quarter of the Borrower's and NS Entities' fiscal year, quarterly unaudited financial statements of the Borrower and NS Entities. These financial statements shall include a balance sheet, an income statement, and a cash flow statement.

(c) Monthly Financial Statements. Within 20 days after the end of each month, monthly financial statements of Borrower and NS Entities. Those financial statements shall include a balance sheet, an income statement, a cash flow statement, and such other general operating reports as may be requested by the Guarantor or the Bank.

(d) Federal Income Tax Returns. To the Bank, copies of federal income tax returns of the Borrower and the NS Entities within 30 days after the applicable tax reporting deadline.

(e) Draw Requests. Copies of all draw requests pursuant to Section 1(b) of this Agreement with any supporting documentation.

(f) Other Information. Such other information of Borrower or NS Entities relating to the Project as may be reasonably requested by Bank or the Guarantor from time to time.

Section 8. General Affirmative and Negative Covenants. The Borrower and NS Entities agree, so long as credit is available under this Agreement and until the Bank and/or Guarantor is repaid in full:

(a) Use of Proceeds. To use the proceeds in accordance with the uses described in Section (1)(b) of this Agreement and to cause any and all claims for services rendered or materials provided in relation to the Project to be paid in due course and without delay. In addition, Borrower covenants and agrees to pay or cause to be paid all amounts owed or that will be owed by Borrower, NS Entities or their affiliates or former affiliates to Ira Fontenot and BTT Investments (Brenda T. Turner) (each a "Secured Creditor") and to provide to Bank and Guarantor written proof of such payment(s), in a form reasonably satisfactory to Bank and Guarantor, within ten (10) business days from the date of the first Draw pursuant to Section 1(b)(i) in order to fully satisfy all obligations represented by the promissory note made by a former affiliate of the Borrower and NS Entities and payable to such Secured Creditor and to cause any and all security interests, liens, encumbrances whether documented by a written security agreement or not to terminate and be of no further force and effect. Borrower and NS Entities agree to indemnify and hold harmless the Bank and Guarantor against any and all claims, losses, damages, costs, expenses (including reasonable attorneys' fees) arising out of or in connection with any claim made by a Secured Creditor against Borrower, NS Entities or Borrower's or NS Entities' properties or assets.

(b) Insurance.

- (i) To maintain general business insurance as is usual and customary for entities of comparable size and with comparable facilities to Borrower and the NS Entities, which must be issued by an insurance company acceptable to the Bank and Guarantor, must cover, at a minimum, the outstanding amount owed to Bank and/or Guarantor hereunder, and must name the Bank and Guarantor as an additional loss payee.
- (ii) To maintain all risk property damage insurance policies covering the tangible property comprising the Collateral. Each such insurance policy must be for the full replacement cost of the Collateral and include a replacement cost endorsement and must be issued by an insurance company acceptable to the Guarantor and must name the Guarantor as an additional loss payee.
- (iii) Upon the commencement of operations of the Project and upon the request of Bank or Guarantor, to maintain a business interruption insurance policy as is usual and customary for entities of comparable size and with comparable facilities and business to Borrower and the NS Entities, which must be issued by an insurance company acceptable to the Bank and Guarantor, and must name the Bank and Guarantor as additional loss payees.
- (iv) Upon the request of the Bank or Guarantor, to deliver to the Bank and Guarantor a copy of each insurance policy or, if permitted by the Bank or Guarantor, a certificate of insurance listing all insurance in force.

(c) Additional Negative Covenants. Not to, without the unanimous consents of the Board of Directors (or in the case of the Partnership, its general partner, NSC) of the Borrower and/or NS Entities, as applicable:

- (i) Declare or pay any dividend, distribution or allocation of any of their cash or assets to any member, stockholder, or other entity; or
- (ii) Incur any additional debt (other than trade payables in the ordinary course of business).

(d) Change of Management. Not to make any substantial change in the present executive or management personnel of the Borrower or NS Entities.

(e) Corporate Existence. To maintain their corporate existence and to observe corporate formalities in their dealings with each other.

(f) Location of Collateral. Not to move or transfer the Collateral to another location and not to relinquish possession or control of the Collateral except as provided for in the Loan Documents or without the prior written consent of the Guarantor.

(g) Notices to the Bank and Guarantor. To promptly notify the Bank and Guarantor in writing of:

- (i) Any judgment or arbitration award entered against the Borrower or NS Entities or settlement agreement with respect to any litigation or arbitration against the Borrower or NS Entities, in an amount over \$100,000.00.
- (ii) Any substantial dispute between any governmental authority and the Borrower or NS Entities that could reasonably be expected to have a material adverse effect on the Borrower or NS Entities.
- (iii) Any event of default under this Agreement, or any event which, with notice or lapse of time, or both, would constitute an event of default.
- (iv) Any event of default under any other material agreement, or any event which, with notice or lapse of time or both, would constitute an event of default thereunder.
- (v) Any material adverse change in Borrower's or NS Entities' business condition, financial or otherwise, operations or properties, or ability to repay their obligations.
- (vi) Within fifteen (15) business days prior to such change, any expected change in Borrower's or NS Entities' name, legal structure, place of business or chief executive office if Borrower or NS Entities have more than one place of business.

(h) Compliance with Laws. To comply with the laws (including any fictitious name statutes), regulations and orders of any governmental body with authority over the Borrower's or NS Entities' business.

(i) Perfection of Liens. To help each of the Bank and Guarantor perfect and protect its security interests and liens, and reimburse it for related costs it incurs to protect its security interests and liens.

(j) Cooperation. To take any action reasonably requested by the Bank or Guarantor to carry out the intent of this Agreement.

(k) Additional Liens. Not to create, incur or suffer to exist any mechanic's lien, materialmen's lien, or vendor's lien on the real property related to the Project.

(l) Actions with Respect to the Partnership. Partnership and NSC agree not to cause (i) a voluntary dissolution, liquidation, winding up or other termination of the Partnership, (ii) the withdrawal, expulsion or replacement of NSC as the general partner of the Partnership, or (iii) a merger, consolidation or sale of all or substantially all the assets of the Partnership without the prior written consent of the Bank and Guarantor, which consent may not be unreasonably withheld.

(m) Action with Respect to the Lease Agreement. Partnership and NSC agree not to amend or terminate the Lease Agreement by and between them and dated as of an even date herewith (the "Lease Agreement") without the prior written consent of the Bank and Guarantor, which consent may not be unreasonably withheld.

(n) Action with Respect to the Technology License Agreement. NSI and NSC hereby agree not to amend or terminate the Amended and Restated Technology License Agreement by and between NSI and NSC dated as of an even date herewith, which provides NSC with a license to the intellectual property, patents, patent rights, copyrights, trade secrets, processes, trademarks, tradenames, technology, and other intangible property rights necessary to operate NSC's business without the prior written consent of the Bank and Guarantor, such consent not to be unreasonably withheld.

(o) Issuance of Additional Stock. NSC and NSI agree not to issue any additional shares of capital stock, options or warrants to purchase capital stock, any debt convertible into capital stock or any other security of NSC or NSI without the prior written consent of Bank and Guarantor.

Section 9. Default and Remedies. If any of the following events of default occurs, the Bank, subject to the rights of Guarantor in Section 10 of this Agreement, may do one or more of the following: declare the Borrower or NS Entities in default, stop making any additional credit available to the Borrower or NS Entities, and require the Borrower or NS Entities to repay the entire debt immediately and without prior notice. In addition, if any event of default occurs, the Bank subject to the rights of Guarantor in Section 10 of this Agreement, shall have all rights, powers and remedies available under any instruments and agreements required by or executed in connection with this Agreement, as well as all rights and remedies available at law or in equity. If an event of default occurs under the paragraph entitled "Bankruptcy," below, with respect to the Borrower or NS Entities, then the entire debt outstanding under this Agreement will automatically be due immediately.

(a) Failure to Pay. The Borrower or NS Entities fail to make a payment under this Agreement (whether to Bank or Guarantor) and the Note when due.

(b) Failure to Comply. The Borrower, NS Entities or the Controlling Shareholders fail to comply with the terms and provisions of this Agreement or any other Loan Document other than the obligation to pay the principal of and interest on the Note, and such failure has not been cured within 45 days.

(c) Charitable Contribution Agreement. Borrower fails to make the charitable contributions required or otherwise fails to comply with the terms and conditions of the Charitable Contribution Agreement.

(d) False Information. The Borrower, NS Entities or the Controlling Shareholders have given the Bank or Guarantor false or misleading information or representations.

(e) Bankruptcy. The Borrower, NS Entities or the Controlling Shareholders file a bankruptcy petition, a bankruptcy petition is filed against the Borrower, NS Entities or the Controlling Shareholders, or the Borrower, NS Entities or the Controlling Shareholders make a general assignment for the benefit of creditors.

(f) Receivers. A receiver or similar official is appointed for a substantial portion of the Borrower's or NS Entities' business, or the business is terminated.

#### Section 10. Guarantor's Rights.

(a) Borrower and NS Entities shall promptly notify Guarantor of any default of, or state of facts that would reasonably likely result in a default of, Borrower or NS Entities under any Loan Document.

(b) The Bank shall promptly notify Guarantor of any default of Borrower or NS Entities actually known by or reasonably believed to exist by Bank under any Loan Document.

(c) So long as Guarantor is not in default under the Guaranty Agreement, Guarantor shall have 60 days to cure, or cause to be cured, any default or non-compliance by Borrower or NS Entities of a failure to pay pursuant to Section 9(a), prior to Bank exercising its rights against Guarantor pursuant to the Guaranty Agreement.

(d) Upon an Event of Default by Borrower or NS Entities under any Loan Document, Guarantor shall have the right to terminate, or cause the termination of, the Lease Agreement by giving 30 days prior written notice to NSC and the Partnership. NSC and Partnership hereby agree to take the necessary and appropriate action to cause such termination upon receipt of such notice.

#### Section 11. Miscellaneous.

(a) Texas Law. THIS AGREEMENT IS GOVERNED BY TEXAS LAW. It is the intention of the parties to comply with applicable usury laws. The parties agree that the total amount of interest contracted for, charged, collected or received by the Bank or Guarantor, if applicable, under this Agreement shall not exceed the Maximum Rate. To the extent, if any, that Chapter 303 of the Texas Finance Code (the "Code") is relevant to the Bank or Guarantor, if applicable, for purposes of determining the Maximum Rate, the parties elect to determine the Maximum Rate under the Code pursuant to the "weekly ceiling" from time to time in effect, as referred to and defined in § 303.001-303.016 of the Code; subject, however, to any right the Bank or Guarantor, if applicable, subsequently may have under applicable law to change the method of determining the Maximum Rate. Notwithstanding any contrary provisions contained herein, (a) the Maximum Rate shall be calculated on the basis of the actual number of days elapsed over a year of 365 or 366 days, as the case may be; (b) in determining whether the interest hereunder exceeds interest at the Maximum Rate, the total amount of interest shall be spread throughout the entire term of this Agreement until its payment in full; (c) if at any time the interest rate chargeable under this Agreement would exceed the Maximum Rate, thereby causing the interest payable under this Agreement to be limited to the Maximum Rate, then any subsequent reductions in the interest rate(s) shall not reduce the rate of interest charged under this Agreement below the Maximum Rate until the total amount of interest accrued from and after the date of this Agreement equals the amount of interest which would have accrued if the interest rate(s) had at all times been in effect; (d) if the Bank or Guarantor, if applicable, ever charges or receives anything of value which is deemed to be interest under applicable Texas law, and if the occurrence of any event, including acceleration of maturity of obligations owing to the Bank or Guarantor, if applicable, should cause such interest to exceed the maximum lawful amount, any amount which exceeds interest at the Maximum Rate shall be applied to the reduction of the unpaid principal balance under this Agreement or any other indebtedness owed to the Bank or Guarantor, if applicable, by the Borrower and NS Entities, and if this Agreement and such other indebtedness are paid in full, any remaining excess shall be paid to the Borrower and NS Entities; and (e) Chapter 346 of the Code shall not be applicable to this Agreement or the indebtedness outstanding hereunder.

(b) Fraudulent Transfers.

- (i) Each NS Entity hereby acknowledges that the intention of the guarantee provided for in Section 4(e) of this Agreement (the "Guaranty") is not for the Guaranty to constitute a fraudulent transfer or conveyance for purposes of debtor relief laws (such as federal bankruptcy laws), the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar foreign, federal or state law to the extent applicable to the Guaranty and the obligations of each NS Entity hereunder. To effectuate the foregoing intention, the NS Entities hereby irrevocably agree that the Guaranty at any time shall be limited to the maximum amount as will result in the Guaranty of such NS Entity not constituting a fraudulent transfer or conveyance.
- (ii) Each NS Entity hereby unconditionally and irrevocably agrees that in the event any payment shall be required to be made to Bank and/or Guarantor under this Agreement, such NS Entity will contribute, to the maximum extent permitted by law, such amounts to each other so as to maximize the aggregate amount paid to the Bank and/or Guarantor under or in respect of this Agreement or any other Loan Document.

(c) Successors and Assigns. This Agreement is binding on the Borrower's, NS Entities', Controlling Shareholders', Guarantor's, and the Bank's successors and assignees. The Borrower, NS Entities and Controlling Shareholders agree that they may not assign this Agreement without the Bank's and Guarantor's prior written consent.

(d) Severability; Waivers. If any part of this Agreement is not enforceable, the rest of the Agreement may be enforced. The Bank and Guarantor retain all rights, even if Bank makes a loan after default. If the Bank or Guarantor waive a default, it may enforce a later default. Any consent or waiver under this Agreement must be in writing.

(e) One Agreement. This Agreement and any related security or other agreements required by this Agreement, collectively represent the sum of the understandings and agreements between the Parties hereto concerning this credit, replace any prior oral or written agreements between the Bank, Guarantor and the Borrower and NS Entities concerning this credit, and are intended by the Parties hereto as the final, complete and exclusive statements of the terms agreed to by them. In the event of any conflict between this Agreement and any other agreements required by this Agreement, this Agreement will prevail.

(f) Inconsistency with the Guaranty Agreement. In the event of any conflict between the Guaranty Agreement and any other Loan Document, the other Loan Documents will govern.

(g) Notices. All notices required under this Agreement shall be personally delivered or sent by first class mail, postage prepaid, or by overnight courier, to the addresses on the signature page of this Agreement, or sent by facsimile to the fax numbers listed on the signature page, or to such other addresses as the Bank, Guarantor and the Borrower, NS Entities and the Controlling Shareholders may specify from time to time in writing. Notices and other communications shall be effective (i) if mailed, upon the earlier of receipt or five (5) days after deposit in the U.S. mail, first class, postage prepaid, (ii) if telecopied, when transmitted, or (iii) if hand-delivered, by courier or otherwise (including telegram, lettergram or mailgram), when delivered.

(h) Headings. Article, Section and paragraph headings are for reference only and shall not affect the interpretation or meaning of any provisions of this Agreement.

(i) Counterparts. This Agreement may be executed in as many counterparts as necessary or convenient, and by the different parties on separate counterparts each of which, when so executed, shall be deemed an original but all such counterparts shall constitute but one and the same agreement.

This Business Loan Agreement is executed by the parties as of the date first written above.

BORROWER:

NaturalShrimp Holdings, Inc.

By: \_\_\_\_\_  
Title: \_\_\_\_\_

Address where notices are to be sent:

2068 N. Valley Mills Dr.  
Waco, TX 76710  
Attn: Chief Executive Officer

This Business Loan Agreement is executed by the parties as of the date first written above.

NaturalShrimp International, Inc.

By: \_\_\_\_\_  
Title: \_\_\_\_\_

Address where notices are to be sent:

2068 N. Valley Mills Dr.  
Waco, TX 76110  
Attn: Chief Executive Officer

This Business Loan Agreement is executed by the parties as of the date first written above.

NaturalShrimp San Antonio, L.P.

By: Natural Shrimp Corporation, its general partner

By: \_\_\_\_\_  
Title: \_\_\_\_\_

Address where notices are to be sent:

P.O. Box  
La Coste, TX 78039

This Business Loan Agreement is executed by the parties as of the date first written above.

**GUARANTOR:**

High Plains Christian Ministries Foundation

By: \_\_\_\_\_  
Title: \_\_\_\_\_

Address where notices are to be sent:

701 Park Place Ave.  
Amarillo, TX 79101  
Attention: Steve Dalrymple

This Business Loan Agreement is executed by the parties as of the date first written above.

BANK:

Amarillo National Bank

By: \_\_\_\_\_  
Title: \_\_\_\_\_

Address where notices are to be sent:

P.O. Box 1  
Amarillo, TX 79105  
Attention: Commercial Loans

This Business Loan Agreement is executed by the parties as of the date first written above.

CONTROLLING SHAREHOLDERS:

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Shirley Williams

Address where notices are to be sent:

2068 N. Valley Mills Dr.  
Waco, TX 76710

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Gerald Easterling

Address where notices are to be sent:

1012 Oxfordshire  
Carrollton, TX 75007

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Mary Ann Untermeyer

Address where notices are to be sent:

785 Lookout Dr.  
Lakehills, TX 78063

## **EXHIBIT A**

### **Description of the Project**

- Phase One: Development, construction, and completion of the first module of the Project (an approximate 125,000-gallon, three-tank greenhouse system), to the point that such module is fully operational from a commercial standpoint.
- Phase Two: Development, construction, and completion of the remaining four modules of the Project (an approximate 625,000 gallon greenhouse system), to the point that such four modules are fully operational from a commercial standpoint.
- Phase Three: Development and construction of additional shrimp production/support facilities and for operating capital for the Project.





# PROMISSORY NOTE

Principal	Loan Date	Maturity	Loan No.	Call / Coll	Account	Officer	Initials
\$1,500,000.00	09-13-2005	09-13-2009	7000031215	5900		239	

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.  
Any items above containing "\*\*\*\*" has been omitted due to text length limitations.

**Borrower:** NATURALSHRIMP HOLDINGS, INC  
2068 N VALLEY MILLS DR  
WACO, TX 76110

**Lender:** AMARILLO NATIONAL BANK  
COMMERCIAL LOANS  
P.O. Box 1  
Amarillo, TX 79105

**Principal Amount:** \$1,500,000.00

**Initial Rate:** 5.466%

**Date of Note:** September 13, 2005

**PROMISE TO PAY.** NATURALSHRIMP HOLDINGS, INC ("Borrower") promises to pay to AMARILLO NATIONAL BANK ("Lender"), or order, in lawful money of the United States of America, the principal amount of One Million Five Hundred Thousand & 00/100 Dollars (\$1,500,000.00) or so much as may be outstanding, together with interest on the unpaid outstanding principal balance of each advance. Interest shall be calculated from the date of each advance until repayment of each advance or maturity, whichever occurs first. The interest rate will not increase above 18.000%.

**PAYMENT.** Subject to any payment changes resulting from changes in the index, Borrower will pay this loan in accordance with the following payment schedule: 12 monthly consecutive interest payments, beginning October 13, 2006, with interest calculated on the unpaid principal balances at an interest rate of 5.466% per annum; 35 monthly consecutive principal and interest payments in the initial amount of \$17,672.67 each, beginning October 13, 2006, with interest calculated on the unpaid principal balances at an interest rate based on the Libor Rate as published in the Wall St Journal (currently 3.716%), plus a margin of 1.750 percentage points, resulting in an initial interest rate of 5.468%; and one principal and interest payment of \$1,096,050.99 on September 13, 2009, with interest calculated on the unpaid principal balances at an interest rate based on the Libor Rate as published in the Wall St Journal (currently 3.716%), plus a margin of 1.750 percentage points, resulting in an initial interest rate of 5.466%. That estimated final payment is based on the assumption that all payments will be made exactly as scheduled and that the Index does not change; the actual final payment will be for all principal and unpaid interest not yet paid, together with any other unpaid amounts under this Note. Unless otherwise agreed or required by applicable law, payments will be applied first to any nonpaid interest; then to principal; and then to any unpaid collection costs. The annual interest rate for this Note is computed on a 366/360 basis; that is, by applying the ratio of the annual interest rate over a year of 380 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding, unless such calculation would result in a usurious rate, in which case interest shall be calculated on a per diem basis of a year of 365 or 366 days, as the case may be. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing. Notwithstanding any other provision of this Note, Lender will not charge interest on any undisbursed loan proceeds. No scheduled payment, whether of principal or interest or both, will be due unless sufficient loan funds have been disbursed by the scheduled payment date to justify the payment.

**VARIABLE INTEREST RATE.** The interest rate on this Note is subject to change from time to time based on changes in an index which is the Libor rate as published in the Wall St Journal (the "Index"). Lender will tell Borrower the current Index rate upon Borrower's request. The interest rate will not occur more often than each month. Borrower understands that Lender may make loans based on other rates as well. The index currently is 3.716% per annum. The interest rate or rates to be applied to the unpaid principal balance of this Note will be the rate or rates set forth herein in the "Payment" section. Notwithstanding any other provision of this Note, after the first payment stream, the interest rate for each subsequent payment stream will be effective as of the last payment date of the just-ending payment stream. Notwithstanding the foregoing, the variable interest rate or rates provided for in this Note will be subject to the following maximum rate. NOTICE: Under no circumstances will the interest rate on this Note be more than (except for any higher default rate or Pre-Maturity Rate shown below) the lesser of 18.000% per annum or the maximum rate allowed by applicable law. For purposes of this Note, the "maximum rate allowed by applicable law" means the greater of (A) the maximum rate of interest permitted under federal or other law applicable to the indebtedness evidenced by this Note, or 181 the "Weekly Calling" as referred to in Sections 303.002 and 303.003 of the Texas Finance Code. Whenever increases occur in the interest rate, Lender, at its option, may do one or more of the following: (A) Increase Borrower's payments to ensure Borrower's loan will pay off by its original final maturity date, (B) Increase Borrower's payments to cover accruing interest, (C) Increase the number of Borrower's payments, and (D) continue Borrower's payments at the same amount and increase Borrower's final payment.

**PREPAYMENT.** Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Prepayment In full shall consist of payment of the remaining unpaid principal balance together with all accrued and unpaid interest and all other amounts, costs and expenses for which Borrower is responsible under this Note or any other agreement with Lender pertaining to this loan, and in no event will Borrower ever be required to pay any unearned interest. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments under the payment schedule. Rather, early payments will reduce the principal balance due and may result in Borrower's making fewer payments. Borrower agrees not to send Lender payments marked 'paid in full', 'without recourse', or similar language. If Borrower makes such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes 'payment in full' of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: AMARILLO NATIONAL BANK, PO BOX 1 AMARILLO, TX 79106.

**POST MATURITY RATE.** The Post Maturity Rate on this Note is the lesser of the maximum rate allowed by law or 18.000% per annum. Borrower will pay interest on all sums due after final maturity, whether by acceleration or otherwise, at that rate.

**DEFAULT.** Each of the following shall constitute an event of default ("Event of Default") under this Note: Payment Default. Borrower fails to make any payment when due under this Note.

**Other Defaults.** Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower,

**False Statements.** Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

**Insolvency.** The dissolution or termination of Borrower's existence as a going business, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

**Creditor or Forfeiture Proceedings.** Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, that Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate resort to or bond for the dispute.

**Events Affecting Guarantor.** Any of the preceding events occurs with respect to any Guarantor of any of the indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note. In the event of a death, Lender, at its option, may, but shall not be required to, permit the Guarantor's estate to assume unconditionally the obligations arising under the guaranty in a manner satisfactory to Lender, and, in doing so, cure any Event of Default.

**Change In Ownership.** Any change in ownership of twenty-five percent (25%) or more of the common stock of Borrower.

**Adverse Change.** A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

**Insecurity.** Lender in good faith believes itself insecure.

**Cure Provisions.** If any default, other than a default in payment is curable, it may be cured if Borrower, after receiving written notice from Lender demanding cure of such default; (1) cures the default within ten (10) days; or (2) if the cure requires more than ten (10) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

**LENDER'S RIGHTS.** Upon default, Lender may declare the entire indebtedness, including the unpaid principal balance on this Note, all accrued unpaid interest, and all other amounts, costs and expenses for which Borrower is responsible under this Note or any other agreement with Lender pertaining to this loan, immediately due, without notice, and Borrower will pay that amount.

**ATTORNEYS' FEES; EXPENSES.** Lender may hire an attorney to help collect this Note if Borrower does not pay, and Borrower will pay Lender's reasonable attorneys' fees. Borrower also will pay Lender all other amounts Lender actually incurs as court costs, lawful fees for filing, recording, releasing to any public office any instrument securing this Note; the reasonable cost actually expended for repossessing, storing, preparing for sale, and selling any security; and fees for noting a lien on or transferring a certificate of title to any motor vehicle offered as security for this Note, or premiums or identifiable charges received in connection with the sale of authorized insurance.

**JURY WAIVER.** Lender and Borrower hereby waive the right to stay jury trial in any action, proceeding, or counterclaim brought by either Lender or Borrower against the other.

**GOVERNING LAW.** This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Texas without regard to its conflicts of law provisions. This Note has been accepted by Lender in the State of Texas.

**CHOICE OF VENUE.** If there is a lawsuit, and if the transaction evidenced by this Note occurred in Potter County, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of Potter County, State of Texas.

**DISHONORED CHECK CHARGE.** Borrower will pay a processing fee of 625.00 if any check given by Borrower to Lender as a payment on this loan is dishonored.

**RIGHT OF SETOFF.** To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against any and all such accounts, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this paragraph.

**COLLATERAL.** Borrower acknowledges this Note is secured by a Security Agreement by and among NaturalShrimp Corporation, NaturalShrimp San Antonio, L.P., High Plains Christian Ministries Foundation and Amarillo National Bank dated as of the date hereof.

**LINE OF CREDIT.** This Note evidences a straight line of credit. Once the total amount of principal has been advanced, Borrower is not entitled to further loan advances. Borrower agrees to be liable for all sums either: (A) advanced in accordance with the Instructions of an authorized person or (B) credited to any of Borrower's accounts with Lender. The unpaid principal balance owing on this Note at any time may be evidenced by endorsements on this Note or by Lender's internal records, including daily computer print-outs.

#### **IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT**

**Amarillo National Bank complies with Section 326 of the USA Patriot Act. Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account such as name, address, date of birth and taxpayer identification. We may ask to see your drivers license or other identifying documents.**

**REPRESENTATIONS, WARRANTIES, COVENANTS AND CONDITIONS.** Borrower acknowledges that Borrower is relying solely on his own investigation and due diligence and not on any advice, act, statement, or omission of any advice, act or statement of Lender whatsoever, regarding the risk, nature, character, condition, or quality of any property purchased or investment made with the proceeds of this Note.

**REPRESENTATIONS AND PROMISES WITH RESPECT TO BORROWER.** I represent and promise to Lender that my correct legal name and address is: NaturalShrimp Holdings, Inc.; 2068 N. Valley Mills Dr.; Waco, TX 76710.

**SPECIAL PROVISIONS.** Borrower authorizes Lender to release and provide from time to time to High Plains Christian Ministries Foundation or its designee, any and all information, documents, tax returns, and other materials in Lender's possession or knowledge, pertaining to Borrower (or any of its subsidiaries), the note, or the loan to Borrower evidenced hereby.

**SUCCESSOR INTERESTS.** The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

**GENERAL PROVISIONS.** If any part of this Note cannot be enforced, this fact will not effect the rest of the Note. Borrower does not agree or intend to pay, and Lender does not agree or intend to contract for, charge, collect, take, reserve, or set aside (collectively referred to herein as "charge or collect"), any amount in the nature of interest or in the nature of fee for this loan, which would in any way or event (including demand, prepayment, or acceleration) cause Lender to charge or collect more for this loan than the maximum Lender would be permitted to charge or collect by federal law or the law of the State of Texas (as applicable). Any such excess interest or unauthorized fee shall, instead of anything stated to the contrary, be applied first to reduce the principal balance of this loan, and when the principal has been paid in full, be refunded to Borrower. The right to accelerate maturity of sums due under this Note does not include the right to accelerate any interest which has not otherwise accrued on the date of such acceleration, and Lender does not intend to charge or collect any unearned merrain in the event of acceleration. All sums paid or agreed to be paid to Lender for the use, forbearance or detention of sums due hereunder shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the full term of the loan evidenced by this Note until payment in full so that the rate or amount of interest on account of the loan evidenced hereby does not exceed the applicable usury ceiling. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand for payment, notice of dishonor, notice of intent to accelerate the maturity of this Note, and notice of acceleration of the maturity of this Note. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend repeatedly and for any length of time this loan or release any party or guarantor or collateral; or impair, or fail to realize upon or perfect Lender's security interest in the collateral without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Note are joint and several.

**PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE NOTE.**

**BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE**

**BORROWER:**

**NATURALSHRIMP HOLDINGS, INC**

By: \_\_\_\_\_

BILL WILLIAMS, CEO of  
NATURALSHRIMP HOLDINGS, INC

By: \_\_\_\_\_

GERALD EASERLING, President of  
NATURALSHRIMP HOLDINGS, INC

**EXHIBIT B-2**

**Change in Terms Agreement (with Modified Note)**

*(see attached)*

## CHANGE IN TERMS AGREEMENT

Principal	Loan Date	Maturity	Loan No.	Call / Coll	Account	Officer	Initials
\$2,000,000.00	12-16-2005	09-13-2009	7000031215	5900		239	

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.  
Any items above containing "\*\*\*\*\*" has been omitted due to text length limitations.

**Borrower:** NATURALSHRIMP HOLDINGS, INC  
2068 N VALLEY MILLS DR  
WACO, TX 76110

**Lender:** AMARILLO NATIONAL BANK  
COMMERCIAL LOANS  
P.O. Box 1  
Amarillo, TX 79105

**Principal Amount:** \$2,000,000.00

**Initial Rate:** 5.350%

**Date of Note:** December 18, 2005

**DESCRIPTION OF EXISTING INDEBTEDNESS.** Advancing promissory note in the name of NaturalShrimp Holdings, Inc. in the principal amount of \$1,500,000.00 dated September 13, 2005 and maturing on September 13, 2007.

**DESCRIPTION OF COLLATERAL.** A Commercial Security Agreement and Financing Statement from NaturalShrimp Holdings, Inc. to Amarillo National Bank dated September 13, 2005.

**DESCRIPTION OF CHANGE IN TERMS.** The principal amount of the Note of \$1,500,000.00 is being increased to \$2,000,000.00 and the maturity date of September 13, 2007 is being extended until September 13, 2008.

**PROMISE TO PAY.** NATURALSHRIMP HOLDINGS, INC ("Borrower") promises to pay to AMARILLO NATIONAL BANK ("Lender"), or order, in lawful money of the United States of America, the principal amount of Two Million & 00/100 Dollars (2,000,000.00) or so much as may be outstanding, together with interest on the unpaid outstanding principal balance of such advances. Interest shall be calculated from the date of each advance until repayment of each advance or maturity, whichever occurs first.

**PAYMENT.** Borrower will pay this loan in one payment of an outstanding principal plus all accrued unpaid interest on September 12, 2008. In addition, Borrower will pay regular monthly payments of all \_\_\_\_\_ unpaid interest that as of each payment date, beginning January 15, 2007, with all subsequent payments to be due on the same day of each month after that. Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interests; then o principal; and then to any unpaid collection cost. Interest on this lease is computed on a 365/360 simple interest basis; therein, by applying the \_\_\_\_\_ of the annual interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding, unless such calculation would result in a \_\_\_\_\_ rate. In which case interest shall be calculated on a per diem basis of a year of 365 or 366 days, as the case may be. Borrower will pay Lender at Lender's address shown above or at such other place as lender may designate in writing. Notwithstanding any other provision of this Agreement, Lender will not charge interest on any undisbursed loan proceeds. No scheduled payment, whether of principal or interest or both, will be due unless sufficient loan fund have been disbursed by the scheduled payment date to justify the payment.

**VARIABLE INTEREST RATE.** The interest rate on the loan is subject to change from time to time based on changes in an index which is the Libor Rate as published in the Wall St Journal (the "index"). Lender will tell Borrower the current Index Rate upon Borrowers request. The Interest rate change will not occur more often than each month. Borrower understands that Lender may make loans based on other rates as well. The Index currently is 5.350% per annum. The interest rate to be applied prior to maturity to the unpaid principal balance during this loan will be at a rate equal to the index, resulting in an initial rate of 6.350% per annum. NOTICE: Under no circumstances will the interest rate on the loan be more than (except for any higher default rate or Post Maturity Rate shown below) the lesser of 18.000% per annum or the maximum rate allowed by applicable law. For purpose of this Agreement, the "maximum rate allowed by applicable law" means the greater of (A) the maximum rate of interest permitted under federal or other law or other law applicable to the Indebtedness evidenced by the Agreement, or (B) the "Weekly Calling" as referred to in Section 303.002 and 303.003 of the Taxes Finance Code.

**PREPAYMENT.** Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Prepayment in full shall consist of payment of the remaining unpaid principal balance together with all accrued and unpaid interest and all other amounts, costs and expenses for which Borrower is responsible under this Agreement or any other agreement with Lender pertaining to this loan, and in no event will Borrower ever be required to pay nay unearned interest. Early payments will not, unless agreed to by lender in writing, relieve Borrower or Borrower's obligations to continue to make payments of accrued unpaid interest. Rather, early payments will reduce the principal balance due. Borrower agrees to not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such payment, Lender may accept it without losing any of Lender's rights under this Agreement, and Borrower will remain obligated to pay any first amount owed to Lender. All written communication concerning disputed amounts including any check or other payment instrument that indicates that this payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a dispute amount must be mailed or delivered to AMARILLO NATIONAL BANK, PO BOX 1 AMARILLO, TX 79105.

**POST MATURITY RATE.** The Post Maturity Rate on this loan is the lesser of (A) the maximum rate allowed by law or (B) 18.000% per annum. Borrower will pay interest on all sums due after final maturity, whether by acceleration or otherwise, at that rate.

**DEFAULT.** Each of the following shall constitute an Event of Default under this Agreement:

**Payment Default.** Borrower fails to make any payment when due under the indebtedness.

**Other Defaults.** Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

**False Statements.** Any warranty, representation, or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Agreement or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

**Insolvency.** The disruption or termination of Borrower's existence as a going business, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the communication of any proceeding under any bankruptcy or insolvency \_\_\_\_\_ by or against Borrower.

**Creditor or Forfeiture Proceedings.** Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the indebtedness. This includes a garnishment of any of Borrower's account, including deposit accounts, with Lender. However, this event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of this claim which is the basis of the creditor or forfeitures proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender \_\_\_\_\_ or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond of the dispute.

**Events Affecting \_\_\_\_\_.** Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness evidenced by this Note. In the event of a death, Lender, at its option may, but shall not be required to, permit the Guarantor's estate to assume unconditionally the obligations arising under the guaranty in a manner satisfactory to Lender, and, in doing so, ours any Event of Default.

**Change in Ownership.** Any change in ownership of twenty-five percent (25%) or more of the common \_\_\_\_\_ of Borrower.

**Adverse Change.** A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of the indebtedness is impaired.

**Insecurity.** Lender in good faith believes itself insecure.

**Cure Provisions.** If any default, other than a default to payment is curable, it may be cured if Borrower, after receiving written notice from Lender demanding cure of such default: (1) cure the default within ten (10) days or (2) if the cure requires more than ten (10) days, immediately \_\_\_\_\_ which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes as reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

**LENDER'S RIGHTS.** Upon default, Lender may declare the entire Indebtedness, including the unpaid principal balance under this Agreement, at accrued unpaid interest, and all other amounts, costs and expenses for which Borrower is responsible under this Agreement or any other agreement with Lender pertaining to this loan, immediately due, without notice, and then Borrower will pay that amount.

**ATTORNEYS' FEES; EXPENSES.** Lender may hire an attorney to help collect this Agreement if Borrower does not pay, and Borrower will pay Lender's Reasonable attorneys' fees. Borrower also will pay Lender all other amounts Lender actually incurs as court costs, lawful fees for filing, recording, relapsing or any public office any instrument security and fees for nothing a lien on or transferring a certificate of title of any motor vehicle offered as security for this Agreement, or premium or identifiable charges received in connection with the sale of authorized insurance.

**JURY WAIVER.** Lender and Borrower hereby waive the right to any jury trial in any action, proceedings, or counterclaim brought by either lender or Borrower against the other.

**GOVERNING LAW.** This Agreement will be governed by federal law applicable to Lender and to the extent not preempted by federal law, that laws of the state of Texas without regard to its conflicts of law provisions. This Agreement has been accepted by lender in the State of Texas.

**CHOICE OF VENUE.** If there is a lawsuit, and in the transaction evidenced by this Agreement occurred in Potter County, Borrower agrees upon Lender request to submit to this jurisdiction of the courts of Potter County, State of Texas.

**DISHONORED CHECK CHANGE.** Borrower will pay a processing fee of \$25.00 if any check given by Borrower to Lender as a payment on this loan be dishonored.

**RIGHT OF SETOFF.** To the extent permitted by applicable law, Lender reserves a right of setoff by all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes lender, to the account permitted by applicable law, to change or setoff all sums owing on the indebtedness against any and all such accounts, and at Lender's option, to administratively freeze all such accounts to allow Lender's charge and setoff rights provided in this paragraph.

**COLLATERAL.** Borrower acknowledges this Agreement is secured by a Security Agreement by and among NaturalShrimp Corporation, NaturalShrimp Sab Antonio, L.P.O., High Plains Christian Ministries Foundation and Amarillo National Bank dated as of the date hereof.

**LINE OF CREDIT.** This Agreement evidence a straight line of credit. Once the total amount of principal has been advanced, Borrower is not entitled to further loan advance. Advances under this Agreement, as well as directions for payment from borrower's accounts, may be requested orally or in writing by Borrower or by an authorized person. Lender may, but need not, require that all oral requests be confirmed in writing. Borrower agrees to be liable for all events below: (A) advanced in accordance with the instructions of an authorized person or \_\_\_\_\_ credited to any Borrower's accounts with Lender's Interest records. Including daily computer print outs. Lender will have no obligation to advance funder under this Agreement if: (A) Borrower or any guarantor is in default under the terms of this Agreement or any agreement that Borrower or nay guarantor has with Lender. Including nay agreement made in connection with the signing of this Agreement: (B) Borrower or any guarantor \_\_\_\_\_ doing business or to insolvent: (C) any guarantor seeks, claims or otherwise attempts to limit, modify or revoke such guarantor's guarantee of this Agreement or any other loan with Lender: (D) Borrower has applied funds provided pursuant to this Agreement for purposes other than those authorized by Lender: or (E) Lender in good faith believes herself insecure

**CONTINUING VALIDITY.** Except as expressly changed by this agreement, the forms of the original obligation or obligations, including all agreements evidenced or securing the obligation(s), remain unchanged and in full force and effect. Consent by lender to this Agreement does not waive Lender's right to strict performance of the obligation(s) as changed, nor obligate Lender to make any future changes in terms. Nothing in this Agreement will constitute a satisfaction of the obligation(s). It is the intention of Lender to retain as noble parties all makers and endorser of the original obligation(s), including accommodation parties, unless a party is expressly release by lender in writing. Any maker or endorser, including accommodation makers, will not be released by virtue of this Agreement. If any person who signed the original obligation does not sign this Agreement below, ten all persons signing below acknowledge that this Agreement is given conditionally, based on the representation to lender that the non-signing party consents to the changes and provisions of this Agreement or otherwise will be related by it. This waiver applied not only to any initial exceptions, modifications or \_\_\_\_\_, but also to all such subsequent actions.

**SUCCESSORS AND ASSIGNS.** Subject to any limitations stated in this Agreement on transfer of Borrower's interest, this agreement shall be binding upon and inure to the parties, their successors and assigns. If ownership of the Collateral becomes vested in a person other than Borrower, Lender, without notice to Borrower, may deal with Borrower's successors with reference to this Agreement and the indebtedness by way of forbearance or extension without releasing Borrower form the obligations of this Agreement or liability under the indebtedness.

**MISCELLANEOUS PROVISIONS.** If any part of this Agreement cannot be endorsed this fact will not affect the rest of this Agreement. Borrower does not agree or intend to pay, and Lender does not agree or intend to contract for, change, collect, take, reserve or receive (collectively referred to herein as "charge or collect"), any amount in the nature of Interest or in the nature of a few for this loan, which would in any way or event (including demand, prepayment, or acceleration) \_\_\_\_\_ Lender to change or collect more for this loan then the maximum Lender would be permitted to charge or collect by federal law or the law of the State of Texas (as applicable). Any such \_\_\_\_\_ interest or unauthorized fee shall, included of anything stated to the contrary, be supplies first to reduce the principal balance of this loan, and when the principal has been paid in full, be refunded to Borrower. The right to accelerate maturity of sums due under this Agreement does not include the right to accelerate any interest which has not otherwise accrued on the date of such acceleration, and Lender does not intend to charge or collect any \_\_\_\_\_ interest in the event of acceleration. All sums paid or agreed to be paid to Lender for the use, forbearance or \_\_\_\_\_ of sums due hereunder shall, to the extent permitted by applicable law, be amortized, prorated, allocated and \_\_\_\_\_ throughout the full term of the loan evidenced by this Agreement until payment in full so that the rate or amount of interest on account of the loan evidenced hereby does not exceed the applicable usury \_\_\_\_\_. Lender may delay or forgo enforcing any of its rights or remedies under this Agreement without losing them. Borrower and any other person who signs, guarantees or endorses this Agreement, to the extent allowed by law, waive presentment, demand for payment, notice of dishonor, notice of intent to accelerate the maturity of this Agreement, and notice of acceleration of the maturity of this Agreement. Upon any change in the terms of this Agreement, and unless otherwise expressly stated in writing, no party who signs this Agreement, whether as maker, guarantor, accommodation maker or \_\_\_\_\_, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral; or \_\_\_\_\_, fail to realize upon or perfect Lender's security interest in this collateral without the consent of or notice to anyone. As such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Agreement are joint and several.

**PRIOR TO SIGNING THIS AGREEMENT, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS AGREEMENT, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THIS AGREEMENT.**

**BORROWER:**

**NATURALSHRIMP HOLDINGS, INC**

By: \_\_\_\_\_

BILL WILLIAM, CEO OF  
NATURALSHRIMP HOLDINGS, INC

By: \_\_\_\_\_

GERALD EASERLING, President of  
NATURALSHRIMP HOLDINGS, INC



# PROMISSORY NOTE

Principal	Loan Date	Maturity	Loan No.	Call / Coll	Account	Officer	Initials
\$2,000,000.00	09-13-2008	09-15-2009	7000031215	5900		239	

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.  
Any items above containing "\*\*\*\*" has been omitted due to text length limitations.

**Borrower:** NATURALSHRIMP HOLDINGS, INC  
2068 N VALLEY MILLS DR  
WACO, TX 76710

**Lender:** AMARILLO NATIONAL BANK  
COMMERCIAL LOANS  
P.O. Box 1  
Amarillo, TX 79105

**Principal Amount:** \$2,000,000.00

**Initial Rate:** 4.236%

**Date of Note:** September 13, 2008

**PROMISE TO PAY.** NATURALSHRIMP HOLDINGS, INC ("Borrower") promises to pay to AMARILLO NATIONAL BANK Mender-I, or &der, in lawful money of the United States of America, the principal amount of Two Million 6 001100 Dollars (\$2,000,000.00), together with Interpol on the unpaid principal balance from September 13, 2008, until maturity,

**PAYMENT.** Borrower will pay this ben In one principal payment of 02,000,000.00 plus interest on September 16, 2009. This payment due on September 15, 2009, will be for all principal and all accrued Interest not yet paid. In addition. Borrower will pay regular monthly payments of all accrued unpaid interest due as of payment data, beginning October 16, 2008, with all subsequent Interest pownente to be due on the some day of each month otter that. Veers, othermee agreed or required by epplitabla law, paymerits wle be applied first to any tworued unpaid Interest; than to principal; and then to any unpaid collection mete. The eenual interest eau for this Not. Is computed on a 365/360 balls; that Is, by applying the ratio of the annual Interest rate over a yet of 360 (Imre, multiplied by the outstanding principal balance, multiplied by the rearrei number of dart the pri,eipal balance Is lx/Wending, unless such eakulation would result In a usuriourx ram In which ease interest shall be calculated on a per diem basis of a y1111/ of 365 or 366 days. as the ease may be, Borrower well pay Lender et Lender'. eddrese 'hewn above of at such other plec• na Lender may designate in writing.

**VARIABLE INTEREST RATE,** The Interest rate on title Note Is subject to change from time to time based on changes In en index which Is the Libor Rate es published in the Will St Journet the "Index"), Lender will tell Borrower the currant Index rate upon Borrower's racoon. The Interest rate change will not occur more often then each Month . Borrower underetende that Lander may make loans based on other rates en wall. The Index currently la 2.486% par annum. The interest rate to be applied prior to maturity to the unpaid principal balance during this Note will be at a rata of 1,750 percentage points over the Index, resulting In an Initial rate of 4.236% per annum. NOTICE: Under no circumstances will the interest rate on Oki Note be more than (except for any higher default rate or Post Maturity Rate shown below) the leerier of 18,000% Per annum or the maximum rate allowed by sepebble low. For purposes of tide Note, the "maximum rate allowed by applicable low' means the greater of (Al the maximum rate of interest permitted under federal or other low applicable to the Indebtedness evidenced by title Note, er IBI the 'Weekly Calling' as referred to In Section' 303.002 arid 303,003 of the Texas Finance Code.

**PREPAYMENT.** Borrower men pey without penalty all or a portion of the amount owed earlier then It Is duo. Prepownent In lull "hell coexist of payment of Ma remaining unpaid principal balance together with all accrued end unotild interest and all other amounts, costs and expenses for which Borrower is responsible tinder this Note or any ether agreement with Lender pertaining to title loan, and in no event will Borrower ever be required to pay any unearned interim, Eery paymente will not, unless leveed to by Lender In wilting, relieve Borrower of Borrower's obligation to continue to make payments under the payment achedule. Rather, °oily pimientto will reduce ten principal balance due. 1301f0Wal swam not to send Lender paymente Marked "paid In fur, 'without recourse", or similar language. If Borrower eon& ouch a payment, Lander may accept it without being env of tender's rights under this Note. and Borrower will Ferman obligated to pay any further amount owed to tender. All written communioetions ooneernIng disputed amounts, Including any Cheek or ether payment instrument then indicates that the payment constitute, "payment In full" of the amount owed or that la tendered with other conditions or limitations or as full eatiefootlon of e disputed amount must be mailed or delivered to; AMARILLO NATIONAL BANK, PO BOX 1 AMARILLO, TX 79106.

**POST MATURITY RATE.** The Post Maturity Rate on this Note is the Newer of (A) the maximum rats allowed by law or 1131 10.000% per annum. Borrower will pay Interest on ell sums due after final maturity, whether by acceleration or otherwise, at that rate,

**DEFAULT.** Each of the following shall constitute an avant of delaut ("Event of Default") under Lille Nom

**Payment Default,** Borrower fella to mike any payment when duo under this Note.

**Other Defaults.** Borrower falls to comply with or to perform any other term, obligation, covenant or condition contained In title Note or in any of the related document. Or to comply with or to perform any term, obligation, covenant or condition contained In any other agreement between Lender and Borrower.

**Falsely, Statements.** Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

**Insolvency.** The dissolution or termination of Borrower's existence as a going business, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

**Creditor Or Forfeiture Proceedings.** Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any other person against any collateral securing the loan. This includes, a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a bona fide dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute,

**Events Affecting Guarantor.** Any of the preceding events occur with respect to any Guarantor of any of the Indebtedness or an Affected Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the Indebtedness evidenced by this Note;

**Change In Ownership.** Any change in ownership of twenty-five percent (25%) or more of the common stock of Borrower.

**Adverse Change.** A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired,

**Insecurity,** Lender in good faith believes itself insecure,

**Cure Provisions.** If any default, other than a default in payment is curable, it may be cured if Borrower, after receiving written notice from Lender demanding cure of such default; (1) cures the default within ten (10) days; or (2) if the cure requires more than ten (10) days, immediately initiates a cure which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

**LENDER'S RIGHTS.** Upon default, Lender may declare the entire Indebtedness, including the unpaid principal balance under this Note, all accrued unpaid interest, and all other amounts, costs and expenses for which Borrower is liable under this Note or any other agreement with Lender pertaining to this loan, immediately due, without notice, and then Borrower will pay that amount.

**ATTORNEYS' FEES; EXPENSES.** Lender may hire an attorney to help enforce this Note if Borrower does not pay, and Borrower will pay Lender's reasonable attorneys' fees, and Borrower also will pay Lender all other amounts Lender actually incurs as court costs, lawful fees for filing, recording, releasing to any public office any instrument securing this Note; the reasonable cost actually expended for repossessing, storing, preparing for sale, and selling any collateral; and fees for noting a lien on or transferring a certificate of title to any motor vehicle offered as security for this Note, or Wembley or identifiable charges received in connection with the sale of authorized insurance.

**JURY WAIVER.** Lender and Borrower hereby waive, the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Borrower against the other.

**GOVERNING LAW.** This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Texas without regard to its conflict of law provisions. This Note has been accepted by Lender in the State of Texas.

**CHOICE OF VENUE.** If there is a lawsuit, and if the transaction evidenced by this Note occurred in Potter County, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of Potter County, State of Texas.

**DISHONORED CHECK CHARGE.** Borrower will pay a processing fee of \$125.00 if any check given by Borrower to Lender as payment on this loan is dishonored.

**RIGHT OF SETOFF.** To the extent permitted by applicable law, Lender reserves a right of Setoff in all Borrower's accounts with Lender (whether Checking, savings, or any other account). This includes all accounts Borrower holds with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff amounts owing on the indebtedness against any and all such accounts, and, at Lender's option, to administratively freeze such Accounts to allow Lender to protect Lender's charge and setoff rights provided in this paragraph.

**COLLATERAL.** Borrower acknowledges, this Note is secured by a Security Agreement by and among NeturaiShrimp Corporation, NetureiShrimp San Antonio, L.P., High Plains Christian Ministries Foundation to Amarillo National Bank dated September 13, 2005

#### **IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT**

**Amarillo National Bank complies with Section 326 of the USA Patriot Act. Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account such as name, address, date of birth and taxpayer identification. We may ask to see your driver's license or other identifying documents.**

**REPRESENTATIONS, WARRANTIES, COVENANTS AND CONDITIONS.** Borrower acknowledges that Borrower is relying solely on his own investigation and due diligence and not on any advice, act, statement, or omission of any advice, act or omission of Lender whatsoever, regarding the risk, nature, character, condition, or quality of any property purchased or investment made with the proceeds of this Note.

**REPRESENTATIONS AND PROMISES WITH RESPECT TO BORROWER.** I represent and promise to Lender that my correct legal name and address are NeturaiShrimp Holdings, Inc.; 2058 N. Volley Male Dr.; Waco, TX 76710.

**SPECIAL PROVISIONS.** Borrower authorizes Lender to release and provide from time to time to High Plains Christian Ministries Foundation or to designee, any and all information, documents, tax returns, and other materials in Lender's possession or knowledge, pertaining to Borrower for any of its subsidiaries, the note, or the loan to Borrower evidenced hereby.

**RENEWAL AND EXTENSION.** This Note is given in renewal and extension and not in novation of the following described indebtedness: The Promissory Note in the name of NeturaiShrimp Holdings, Inc. to Amarillo National Bank dated September 13, 2005.

**SUCCESSOR INTERESTS.** The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

**GENERAL PROVISIONS.** If any part of this Note cannot be enforced, that part will not affect the rest. Borrower does not agree or intend to pay, and Lender does not agree or intend to contract to, charge, collect, take, reserve or receive (collectively referred to hereto as "charge or collect"), any amount in this nature of interim or in the nature of a fee for this loan, which would in any way or event (including demand, prepayment, or acceleration) cause Lender to charge or collect more for this loan than the maximum Lender would be permitted to charge or collect by federal law or the law of any state or territory. Any such excess interest or unauthorized fee shall be void. If anything stated to the contrary, it is hereby applied first to reduce the principal balance of this loan, and when the principal has been paid in full, be refunded to Borrower. The right to accelerate maturity of sums due under this Note does not include the right to accrue any interest which has not otherwise accrued on the date of such acceleration, and Lender does not intend to charge or collect any unearned interest in the event of acceleration. All sums paid or to be paid to Lender for the use, forbearance or detention of sums due hereunder shall, to the extent permitted by applicable law, be applied, prorated, allocated and spread throughout the full term of the loan evidenced by this Note until payment in full so that the rate or amount of interest on account of the loan evidenced hereby does not exceed the applicable usury ceiling. Lender may delay or forego enforcing any of its rights or remedies under this Note without losing them. Renewer and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waives presentment, demand for payment, notice of dishonor, notice of intent to accelerate the maturity of this Note, and notice of acceleration of the maturity of this Note. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, co-maker or endorser, shall be released from liability. All parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor of collateral; or impair, fail to rewire upon or perfect Lender's security interest in the collateral without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Note are joint and several.

**PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE NOTE.**

**BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE**

**BORROWER:**

**NATURALSHRIMP HOLDINGS, INC**

By: \_\_\_\_\_  
BILL WILLIAMS, CEO of  
NATURALSHRIMP HOLDINGS, INC

By: \_\_\_\_\_  
GERALD EASERLING, President of  
NATURALSHRIMP HOLDINGS, INC

# NOTICE OF FINAL AGREEMENT

Principal	Loan Date	Maturity	Loan No.	Call / Coll	Account	Officer	Initials
\$2,000,000.00	09-13-2008	09-15-2009	7000031215	5900		239	

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.  
Any items above containing "\*\*\*\*\*" has been omitted due to text length limitations.

**Borrower:** NATURALSHRIMP HOLDINGS, INC  
2068 N VALLEY MILLS DR  
WACO, TX 76110

**Lender:** AMARILLO NATIONAL BANK  
COMMERCIAL LOANS  
P.O. Box 1  
Amarillo, TX 79105

**THE WRITTEN LOAN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.**

**As used In this Notice, the following terms have the following meaning**

**Loan.** The term "Loan" means the following described loan: a non-ereornputed Variable Rate Nondisclosable Single Principal Payment with periodic interest payments) Loan to a Corporation for \$2,000,000.00 due on September 15, 2009. Tho reference rate (Libor Rate as published In the Well St Journal , with en Interest rate calling of 18.000%, currently 2.486%) is added to tho margin of 1.750%, resulting in an initial rate of 4,238. This is a secured renewal of the following described inclebedneas Thu Promissory Note in the name of NaturalShrleip Holdings, Inc. to Amarillo National Bank dated September 13, 2005.

**Loan Agroemem.** The term "Loan Agreement" means one or more promises, promissory notes, agreements, undertakings, security agreements, deeds of trust or other documents, or commitments, or any combination of those actions or documents, relating to the Loan, including without limitation the following:

## LOAN DOCUMENTS

Amortization Schedule  
Corporate Resolution: HIGH PLAINS CHRISTIAN MINISTRIES FOUNDATION  
Customer Information Profile: NATURALSHRIMP HOLDINGS, INC  
TX Commercial Security Agreement: All Inventory, Accounts, Equipment and General Intangibles related to Grantors' shrimp production facility in Le Costa, Texas ; owned by NATURALSHRIMP CORPORATION and NATURALSHRIMP SAN ANTONIO, LP  
Agreement to Provide Insurance: All Inventory, Accounts, Equipment and General Intangibles related to Grantors' shrimp production facility In La Coste, Texas ; owned by NATURALSHRIMP CORPORATION and NATURALSHRIMP SAN ANTONIO, LP  
ANB Privacy Policy; NATURALSHRIMP HOLDINGS, INC

Corporate Resolution; NATURALSHRIMP HOLDINGS, INC  
Resolution of Corporate Partner: NATURALSHRIMP CORPORATION  
Promissory Note  
TX Commercial Guaranty: HIGH PLAINS CHRISTIAN MINISTRIES FOUNDATION  
TX National MCC NJ-lancing Statement {Rev. 05/22/02): Purchase Money  
Security Interest in all Invent  
Joint Request for Credit - Joint Request for Credit  
Errors and Omissions - Errors and Omissions/Compliance Agreement  
Dietrueornment Request and Authorization  
Notice of Final Agreement  
Amarillo National Rene Leen (vierriorendum  
AND Privacy Policy; NATURALSHRIMP CORPORATION  
ANB Privacy Policy; NATURALSHRIMP SAN ANTONIO, LP

**Pertiea.** The term "Parties" means AMARILLO NATIONAL BANK and any and all entitles or individuals who are Obligated to repay the loan or have pledged property as security for the Loan, Including without limitation the following:

**Borrower:** NATURALSHRIMP HOLDINGS, INC  
**Grantor(e):** NATURALSHRIMP CORPORATION; and NATURALSHRIMP SAN ANTONIO, LP  
**Guarantor 1:** HIGH PLAINS CHRISTIAN MINISTRIES FOUNDATION

This Notice of Final Agreement Is Oven by AMARILLO NATIONAL BANK pursuant to Section 26.02 of the Texas Business and Commerce Coda. Each Party who signs below, other than AMARILLO NATIONAL BANK, acknowledges, represents, and warrants to AMARILLO NATIONAL BANK that it has received, reed end understood this Notice of Final Agreement. This Notice Is dated September '13, 2008.

**BORROWER:**

**NATURALSHRIMP HOLDINGS, INC**

By: \_\_\_\_\_  
BILL WILLIAMS, CEO of  
NATURALSHRIMP HOLDINGS, INC

By: \_\_\_\_\_  
GERALD EASERLING, President of  
NATURALSHRIMP HOLDINGS, INC

## ANB PRIVACY POLICY

**Borrower:**NATURALSHRIMP CORPORATION  
2068 N VALLEY MILLS DR  
WACO, TX 76110

**Lender:**AMARILLO NATIONAL BANK  
COMMERCIAL LOANS  
P.O. Box 1  
Amarillo, TX 79105

### Our Privacy Commitment to You

We recognize the trust you have placed in us to keep your Information secure and confidential. Keeping your Information secure is one of our most important responsibilities. We want you to understand what information we collect and how we use it.

In order to provide our customers with a broad range of financial products and services as effectively and conveniently as possible, we use technology to manage and maintain customer information. We consider all public and nonpublic personal Information we gather about you as "private personal information",

### Our Security Procedures

We take steps to safeguard customer information. Our policy is to restrict access to your private personal account Information to those employee\* who need to know that information to provide product\* or services to you. We maintain physical, electronic and procedural safeguards that comply with federal standards to guard your private personal information,

### What Information We Collect:

We collect and use various types of Information to service your accounts, save you time and money and better understand your needs. Customer information we collect is categorized into the following types:

- Information you provide to us on applications or other loan and account forms, such as your name, address and social security number.
- Information we receive from a consumer-reporting agency, such as information regarding your credit worthiness or credit history, as authorized,
- Information about your transactions and account experience, such as your account balance, payment history, or information about our communication with you, such as a request for a copy of a check and our response.

### What Information We Disclose:

We do not disclose any private personal information about you to anyone, except as permitted or required by law. We are permitted under law to disclose nonpublic personal information about you to other third parties. In certain circumstances, for example, we may disclose nonpublic personal Information about you to third parties to assist us in servicing your loan or account with us, to government entities in response to subpoenas, and to credit bureaus. We may also disclose information described above to financial institutions with which we have agreements to endorse or sponsor a financial service.

Notify Us of Inaccurate Information We Report To Consumer Reporting Agencies. Please notify us if we report any inaccurate information about your account(s) to a consumer reporting agency. Your written notice describing the specific inaccuracy(ies) should be sent to us at the following address: AMARILLO NATIONAL BANK PO BOX 1 AMARILLO, TX 79105.

I acknowledge receipt of Lender's Privacy Policy.

### NATURALSHRIMP CORPORATION

By: \_\_\_\_\_  
GERALD EASERLING, President of  
NATURALSHRIMP HOLDINGS, INC

**Borrower:**NATURALSHRIMP HOLDINGS, INC  
2068 N VALLEY MILLS DR  
WACO, TX 76110

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P.O. Box 1  
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**NATURALSHRIMP HOLDINGS, INC**

By: \_\_\_\_\_  
BILL WILLIAMS, CEO of  
NATURALSHRIMP HOLDINGS, INC

By: \_\_\_\_\_  
GERALD EASERLING, President of  
NATURALSHRIMP HOLDINGS, INC

**Borrower:**NATURALSHRIMP SAN ANTONIO, LP  
2068 N VALLEY MILLS DR  
WACO, TX 76110

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Notify Us of Inaccurate information We Report To Consumer Reporting Agencies. Please notify us if we report any inaccurate information about your account(s) to a consumer reporting agency. Your written notice describing the specific Inaccuracy(ies) should be sent to us at the following address: AMARILLO NATIONAL BANK PO BOX 1 AMARILLO, TX 79105.

I acknowledge receipt of Lender's Privacy Policy.

**NATURALSHRIMP SAN ANTONIO, LP**

**NATURALSHRIMP CORPORATION,**  
General Partner of NATURALSHRIMP SAN ANTONIO, LP

By: \_\_\_\_\_ Date \_\_\_\_\_  
GERALD EASERLING, President of  
NATURALSHRIMP HOLDINGS, INC

# ASSIGNMENT AGREEMENT

THIS ASSIGNMENT AGREEMENT (this “*Agreement*”) is made and entered into effective as of the 26th day of March, 2009 (the “*Effective Date*”) by and between Baptist Community Services, a Texas non-profit corporation (“*BCS*”), and Amarillo National Bank (“*ANB*”), and acknowledged and consented to by NaturalShrimp Holdings, Inc., a Delaware corporation (the “*Company*”) and High Plains Christian Ministries Foundation (the “*Guarantor*”). Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Note, Business Loan Agreement, Warrant or Related Transaction Documents (as such terms are defined below).

## RECITALS

WHEREAS, ANB, the Company, NaturalShrimp Corporation, a Delaware corporation, NaturalShrimp International, Inc., a Delaware corporation, Natural Shrimp San Antonio, L.P., a Texas limited partnership (“*Partnership*”, which was subsequently merged into NaturalShrimp Corporation), Shirley Williams, Gerald Easterling and Mary Ann Untermeyer (collectively, the “*Controlling Shareholders*”) and the Guarantor, are or were parties to that certain Business Loan Agreement dated September 13, 2005, as amended and modified by the certain Consent Agreement, dated as of October 13, 2006, by and among the same parties (collectively, the “*Business Loan Agreement*”) a copy of which is attached hereto as Exhibit A, pursuant to which ANB purchased from and the Company issued to ANB a secured promissory note, dated September 13, 2005, in the original principal amount of \$1,500,000, a copy of which is attached hereto as Exhibit B-1 (such secured promissory note, as modified as provided below, the “*Note*”);

WHEREAS, WHEREAS, subsequent to the closing of the Business Loan Agreement, the Note was modified by that certain Change In Terms Agreement dated September 16, 2006 (a copy of which is attached hereto as Exhibit B-2, whereby the principal amount of the Note was increased to \$2,000,000 and the maturity date was extended to September 13, 2008;

WHEREAS, the Company’s obligations under the Note are secured by security interests granted pursuant to that certain Security Agreement dated September 13, 2005, a copy of which is attached hereto as Exhibit C (the “*Security Agreement*”), and pursuant to which Financing Statements on Form UCC-1 were filed with the Secretary of State of the State of Delaware on September 14, 2005 as Filing No. 5285019 7 and Filing No. 5285869 5 and with the Secretary of State of the State of Texas on September 14, 2005 as Filing No. 05-0028758025 and Filing No. 05-0028758469 and on December 15, 2005 as Filing No. 05-0038319150 and Filing No. 05-0038319261, copies of which is also attached hereto as Exhibit C (collectively, the “*UCC-1 Financing Statements*”);

WHEREAS, in connection with the closing of the Business Loan Agreement, and to induce ANB to enter into the Business Loan Agreement and purchase the Note, the Guarantor and ANB entered into that certain Commercial Guaranty Agreement dated September 13, 2005, a copy of which is attached hereto as Exhibit D (the “*Guaranty*”);

WHEREAS, in connection with the closing of the Business Loan Agreement, and to induce ANB to enter into the Business Loan Agreement and purchase the Note, the Company issued to the Guarantor a Warrant to purchase shares of the Company’s Common Stock, a copy of which is attached hereto as Exhibit E (the “*Warrant*”);

WHEREAS, in connection with the closing of the Business Loan Agreement, and to induce ANB to enter into the Business Loan Agreement and purchase the Note, ANB, the Guarantor and each limited partner of the Partnership entered into a respective Subordination Agreement dated September 13, 2005 for the benefit of ANB and the Guarantor, copies of which are attached hereto as Exhibit F (together, the “*Subordination Agreements*” and each a “*Subordination Agreement*”);

WHEREAS, in connection with the closing of the Business Loan Agreement, and to induce ANB to enter into the Business Loan Agreement and purchase the Note, ANB, the Guarantor and each of the Controlling Shareholders and the Company entered into a respective Pledge Agreement dated September 13, 2005 for the benefit of ANB and the Guarantor, copies of which are attached hereto as Exhibit G (together, the “*Pledge Agreements*” and each a “*Pledge Agreement*”) and which, collectively with the Security Agreement, UCC-1 Financing Statements, Guaranty, Subordination Agreements and any ancillary documents related to all of the foregoing, shall be referred to through this Agreement as the “*Related Transaction Documents*”); and

WHEREAS, BCS desires to purchase from ANB, and ANB desires to sell and assign to BCS, all of ANB’s right, title and interest in and to the Note and Related Transaction Documents on and subject to the terms and conditions set forth in the Agreement.

**NOW THEREFORE**, in consideration of the mutual representations, warranties, covenants and agreements set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, ANB and BCS, intending to be legally bound, hereby agree as follows:

## **1. Assignment and Acceptance**

(a) ANB does hereby sell, convey, assign, transfer, set over, deliver and confirm unto BCS, and BCS's permitted successors and assigns **as is, where is**, with all faults and (except for the specific warranties and representations of ANB set forth in Section 2 below) without any warranty, representation or recourse, express or implied, all of ANB's right, title and interest in and to (i) the Note, including all moneys now due or hereafter to become due to ANB under the Note; (ii) the Business Loan Agreement and (iii) the Related Transaction Documents (the "*Assignment*").

(b) BCS hereby (i) accepts the foregoing Assignment **as is, where is**, with all faults and (except for the specific warranties and representations of ANB set forth in Section 2 below) without any warranty, representation or recourse against ANB, express or implied, and hereby assumes any and all liabilities and obligations of ANB under the Note, the Business Loan Agreement and Related Transaction Documents arising from and after the Effective Date of this Agreement and (ii) agrees to pay to ANB on the Effective Date in immediately available funds, and concurrently with and as a condition of the Assignment, the sum of Two Million Four Thousand Eight Hundred Nineteen Dollars and Fifty-Six Cents (\$2,004,819.56) (the "*Purchase Price*").

(c) In consideration of payment of the Purchase Price to ANB by BCS, at the closing, ANB shall deliver to BCS the original Note and all Collateral (as such term is defined in the Security Agreement) held, directly or indirectly, by ANB securing the Company's obligations under the Note pursuant to the terms of the Business Loan Agreement or any of the Related Transaction Documents.

## **2. Representations and Warranties of ANB** ANB represents, warrants and covenants with and to BCS, as of the Effective Date, that:

(a) ANB (i) is an entity duly organized, validly existing and in good standing under the laws of the jurisdiction in which it was formed and has the requisite power and authority to carry on its business as now conducted and (ii) is duly qualified to transact business and is in good standing in each jurisdiction in which the nature of its business or ownership or leasing of its properties makes such qualification necessary, except where the failure to be so qualified would not reasonably be expected to have, individually or in the aggregate, a material adverse effect;

(b) ANB has the requisite power and authority to execute this Agreement and to perform its obligations hereunder and this Agreement has been duly executed and delivered by ANB and, assuming due execution and delivery by BCS, constitutes a valid and binding obligation of Assignor, enforceable against such Assignor in accordance with its terms;

(c) the execution and delivery of this Agreement by ANB and the performance by it of its obligations hereunder have been duly authorized by all necessary corporate action on its part;

(d) this Agreement does not conflict with any law, agreement, or obligation by which ANB is bound. No consent or approval of any party is required in connection with the execution, delivery or performance of this Agreement;

(e) there are no events or circumstances which currently, or with the passage of time or the giving of notice or both, constitute an Event of Default (as such term is defined in the Note);

(f) ANB is the sole holder of all right, title and interest in the Note, the Business Loan Agreement and Related Transaction Documents to be assigned to BCS hereunder;

(g) ANB has not heretofore assigned, transferred, disposed of, pledged or otherwise encumbered its right, title and interest in the Note, Business Loan Agreement or Related Transaction Documents;

(h) ANB has not heretofore assigned, transferred, disposed of, pledged or otherwise encumbered its security interest in the Collateral;

(i) upon consummation of the transaction contemplated by this Agreement, there shall be no further outstanding indebtedness of the Company to ANB nor shall ANB hold any equity or other interest in the Company or any claim against the Company;

(j) there are no claims for brokerage commissions, finder's fees or other compensation of any kind in connection with the transaction contemplated by this Agreement based upon any arrangement or agreement made by or on behalf of ANB;

(k) there are no actions, suits, proceedings, judgments or orders outstanding or pending before any court, arbitration panel, or governmental agency or instrumentality, domestic or foreign, that would or might foreseeably adversely affect the performance by ANB of this Agreement or the consummation and effect of the transaction contemplated hereby;

(l) as of the Effective Date, and after giving effect to the transaction contemplated hereby, ANB shall not be "insolvent" as such term is defined in 11 U.S.C. §101(32);

(m) no default or breach by ANB exists under the terms of the Note, the Business Loan Agreement or Related Transaction Documents; and

(n) no amount of the purchase price is required, under applicable law, to be withheld for tax purposes or paid or remitted by BCS to any U.S. or other taxing authority.

**3. Limitation of Representations and Warranties of ANB** Notwithstanding anything to the contrary in this Agreement, ANB makes no representation, warranty, guaranty, promise or assurance, whether written or oral, statutory, express or implied, concerning:

(a) the validity, binding effect and enforceability under applicable law of the Note, Business Loan Agreement or Related Transaction Documents as against the parties thereto;

(b) the business, assets, financial affairs or prospects of the Company, including the ability of BCS, or his successors or assigns, to collect from the Company the principal, interest or any other amounts that may now be due and owing to ANB or hereafter due and owing to BCS under the Note, Business Loan Agreement and Related Transaction Documents;

(c) the effect of any action, inaction or failure to act by ANB under the Note, Business Loan Agreement and Related Transaction Documents on the ability of BCS, or his successors and assigns, to enforce the Note, Business Loan Agreement and Related Transaction Documents;

(d) the existence of, or the Company's title to, any of the Collateral;

(e) the creation or perfection of any security interest in the Collateral, or that the description of the Collateral reasonably identifies what is described, within the meaning of Section 9 of the Uniform Commercial Code as in effect in the State of Texas and the State of Delaware; and

(f) the priority of any security interest created in the Collateral pursuant to the Note, Business Loan Agreement and Related Transaction Documents.

**4. Representations, Warranties and Covenants of BCS** BCS represents, warrants and covenants with and to ANB, as of the Effective Date, that:

(a) BCS (i) is an entity duly organized, validly existing and in good standing under the laws of the jurisdiction in which it was formed and has the requisite power and authority to carry on its business as now conducted and (ii) is duly qualified to transact business and is in good standing in each jurisdiction in which the nature of its business or ownership or leasing of its properties makes such qualification necessary, except where the failure to be so qualified would not reasonably be expected to have, individually or in the aggregate, a material adverse effect;

(b) BCS has the requisite power and authority to execute this Agreement and to perform its obligations hereunder and this Agreement has been duly executed and delivered by BCS and, assuming due execution and delivery by ANB, constitutes a valid and binding obligation of Assignor, enforceable against such Assignor in accordance with its terms;

(c) the execution and delivery of this Agreement by BCS and the performance by it of its obligations hereunder have been duly authorized by all necessary corporate action on its part;

(d) this Agreement does not conflict with any law, agreement, or obligation by which BCS is bound. No consent or approval of any party is required in connection with the execution, delivery or performance of this Agreement;

(e) BCS will observe and perform any obligations of ANB arising from and after the Effective Date of this Agreement under the terms of the Note, Business Loan Agreement and Related Transaction Documents, and, by executing below, the Company acknowledges that, following the transaction contemplated by this Agreement, the Company has no claim of any kind against ANB under the Note, Business Loan Agreement and Related Transaction Documents; and

(f) as of the Effective Date, and after giving effect to the transaction contemplated hereby, BCS shall not be "insolvent" as such term is defined in 11 U.S.C. §101(32).

**5. Closing Actions and Deliveries; Further Assurances**

(a) Upon the payment of the Purchase Price, the Warrant shall be terminated and of no further force and effect.

(b) Upon the payment of the Purchase Price, the Guaranty shall be terminated and of no further force and effect, and ANB and BCS each hereby waives and forever releases the Guarantor from any and all claims and causes of action of any kind against the Guarantor with regard to the Guaranty. As of the Effective Date all references to the Guarantor and the Guaranty in the Business Loan Agreement or Related Transaction Documents shall be deemed to be deleted.

(c) Prior to the date hereof, ANB will have delivered to BCS such Financing Statements on Form UCC-3 or such other documentation which Transferee's counsel deems necessary to transfer any and all security interests which ANB may have in the Collateral, including, without limitation, the security interests evidenced by the UCC-1 Financing Statements.

(d) In addition to the foregoing, at the request of BCS at any time and from time to time, ANB shall, at its expense, duly execute and deliver, or cause to be duly executed and delivered, such further agreements, documents and instruments, and do or cause to be done such further acts as BCS's counsel may in good faith deem necessary or proper to evidence, perfect, maintain and enforce the security interests and the priority thereof in the Collateral and to otherwise effectuate the provisions and purposes of this Agreement, the Business Loan Agreement and Related Transaction Documents, including but not limited to the financing statements to be filed pursuant to any documents guaranteeing indebtedness, assuming performance of obligations, subordinating indebtedness or granting security of Collateral to BCS.

**6. Severability.** If any provision of this Agreement is held or determined to be invalid or unenforceable, the balance of this Agreement will remain in effect. In such event, the parties will negotiate in good faith replacement provisions that will be valid and enforceable and that provide the same or substantially similar economic effect as provided by the invalid or unenforceable provisions.

**7. Successors and Assigns.** This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective permitted successors and assigns.

**8. Governing Law.** This Agreement will be governed in all respects by the internal laws of the State of Texas as applied to agreements entered into among Texas residents to be performed entirely within Texas, without regard to Texas conflicts-of-law principles. The parties hereto submit to the exclusive jurisdiction of the courts of general jurisdiction of the State of Texas and the federal courts of the United States located in the City of Amarillo, Texas with regard to any action to enforce or interpret this Agreement.

**9. Entire Agreement; Amendment Waiver, and Termination.** This Agreement represent the entire understanding and agreement among the Parties with respect to the subject matter hereof, except with respect the agreement between BCS and the Foundation assigning the Foundation's rights under the Deed of Trust and Security Agreement to BCS, and can be amended, supplemented or changed, and any provision hereof can be waived, only by a written instrument making specific reference to this Agreement signed by each of BCS and ANB. The waiver by any party of a breach of any provision of this Agreement shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach. No failure on the part of any party to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such party preclude any other or further exercise thereof or the exercise of any other right, power or remedy. Unless specifically set forth herein to the contrary, all remedies hereunder are cumulative and are not exclusive of any other remedies provided by law.

**10. Company Acknowledgment.** By executing below, the Company acknowledges, agrees and consents to the terms of the transaction referenced herein and further represents and warrants to BCS that the Company does not have, and hereby waives and forever releases ANB from, claims of any kind against ANB with regard to the Note, the Business Loan Agreement, or the Related Transaction Documents. The Company explicitly waives, and forever releases BCS from, any right to claim against BCS with regard to any action or inaction of ANB prior to the Effective Date or in any way related to the transaction contemplated by this Agreement.

**11. Authorized Execution.** The individuals executing below on behalf of each of the parties are duly authorized to execute on behalf of the applicable party and to bind the party thereby.

**12. Headings.** The headings in this Agreement are for the purpose of reference only and shall not limit or otherwise affect the meaning thereof.

**13. Counterparts.** This Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

*[Signatures Page Follows]*

IN WITNESS WHEREOF, the parties have executed this Assignment Agreement as of the date first written above.

**Amarillo National Bank**

By: \_\_\_\_\_

Name: \_\_\_\_\_  
(print)

Title: \_\_\_\_\_

Address: P.O. Box 1  
Amarillo, Texas 79105  
Attn: Commercial Loans

**Baptist Community Services**

By: \_\_\_\_\_

Name: \_\_\_\_\_  
(print)

Title: \_\_\_\_\_

Address: 701 Park Place  
Amarillo, Texas 79109

*This Agreement is expressly agreed to for the purposes of Section 5 acknowledged in all regards and the Assignment (as defined above) is hereby consented to this 26th day of March, 2009:*

**NaturalShrimp Holdings, Inc.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
(print)

Title: \_\_\_\_\_

Address: 2068 N. Valley Mills Drive  
Waco, Texas 76110

**High Plains Christian Ministries Foundation**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
(print)

Title: \_\_\_\_\_

Address: 701 Park Place  
Amarillo, Texas 79109

### FIFTH FORBEARANCE AGREEMENT

THIS FIFTH FORBEARANCE AGREEMENT (this "Agreement") is entered into as of January \_\_, 2015, by and between NATURALSHRIMP HOLDINGS, INC., a Delaware corporation, ("Borrower"), MULTIPLAYER ONLINE DRAGON, INC., a Nevada corporation ("MOD"), and BAPTIST COMMUNITY SERVICES, a Texas non-profit corporation ("BCS").

WHEREAS, Amarillo National Bank ("ANB"), Borrower, NaturalShrimp Corporation, a Delaware corporation ("NSC"), NaturalShrimp Global, Inc., a Delaware corporation formerly known as NaturalShrimp International, Inc. ("NSI"), Natural Shrimp San Antonio, L.P., a Texas limited partnership, Shirley Williams, Gerald Easterling and Mary Ann Untermyer, and High Plains Christian Ministries Foundation, are or were parties to that certain Business Loan Agreement dated September 13, 2005, as amended and modified by the certain Consent Agreement, dated as of October 13, 2006, by and among the same parties (collectively, the "Business Loan Agreement"), pursuant to which Borrower issued to ANB a secured promissory note, dated September 13, 2005, in the original principal amount of \$1,500,000, (such secured promissory note, as modified as provided below, the "Note");

WHEREAS, subsequent to the closing of the Business Loan Agreement, the Note was modified (i) by that certain Change In Terms Agreement dated September 16, 2006, whereby the principal amount of the Note was increased to \$2,000,000 and the maturity date was extended to September 13, 2008, and (ii) on September 13, 2008 to extend the maturity date of the Note to September 15, 2009;

WHEREAS, Borrower's obligations under the Note are secured by: (i) security interests granted pursuant to that certain Security Agreement dated September 13, 2005; (ii) Subordination Agreements dated September 13, 2005 entered into by the limited partners of Natural Shrimp San Antonio, L.P. for the benefit of ANB; and (iii) Pledge Agreements dated September 13, 2005 entered into by Borrower and certain shareholders of Borrower for the benefit of ANB, (collectively, with the Business Loan Agreement, the "Loan Documents");

WHEREAS, ANB and BCS are parties to that certain Assignment Agreement dated March 26, 2009, pursuant to which ANB assigned and transferred to BCS all of ANB's right, title and interest in and to (i) the Note, including all moneys now due or hereafter to become due to ANB under the Note; (ii) the Business Loan Agreement and (iii) the Loan Documents;

WHEREAS, Borrower issued to BCS a subordinated promissory note, dated December 31, 2008, in the original principal amount of \$70,000 and with a maturity date of September 15, 2009 to provide working capital to Borrower for its use to pay interest due under the Note, taxes, and premiums for insurance policies covering its assets (such subordinated promissory note, as modified on April 7, 2009, collectively with the Note, the "Notes");

WHEREAS, as described in the letter sent by BCS's counsel to Borrower on August 12, 2009, all obligations owed by Borrower under the Notes were payable and due in full on September 15, 2009, and, as described in the letter from BCS's counsel to Borrower dated January 25, 2010, Borrower did not satisfy its obligations under the Notes on or before September 15, 2009 and all of Borrower's obligations under the Notes, including, but not limited to, principal, accrued interest, fees and expenses remain past-due and payable in full (the "Existing Event of Default");

WHEREAS, Borrower and BCS entered into a Forbearance Agreement, dated as of January 15, 2010, pursuant to which BCS agreed to forbear the exercise of its rights and remedies arising under the Loan Documents as a result of the Existing Event of Default until January 25, 2011;

WHEREAS, Borrower and BCS entered into a Second Forbearance Agreement dated as of March 30, 2011, pursuant to which BCS agreed to forbear the exercise of its rights and remedies arising under the Loan Documents as a result of the Existing Event of Default until March 30, 2012;

WHEREAS, Borrower and BCS entered into a Third Forbearance Agreement dated as of March 30, 2012, pursuant to which BCS agreed to forbear the exercise of its rights and remedies arising under the Loan Documents as a result of the Existing Event of Default until March 30, 2013;

WHEREAS, Borrower and BCS entered into a Fourth Forbearance Agreement dated as of March 30, 2013, pursuant to which BCS agreed to forbear the exercise of its rights and remedies arising under the Loan Documents as a result of the Existing Event of Default until March 30, 2015; and

WHEREAS, Borrower has requested that BCS provide its consent under the Loan Documents for a proposed transaction (the "Transaction") between Borrower and MOD, whereby Borrower will acquire approximately seventy two percent (72%) of the issued and outstanding stock of MOD as consideration for the acquisition by MOD from Borrower of all of the issued and outstanding stock of Borrower's wholly owned subsidiaries, NSC and NSI, over which BCS has a security interest pursuant to the Loan Documents, which BCS has agreed to do so subject to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the premises herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Defined Terms; References. Unless otherwise stated in this Agreement, capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Business Loan Agreement and references to "Article," "Section," "Schedule" and "Exhibit" are to articles, sections, schedules and exhibits of the Business Loan Agreement. References to any Loan Document shall include every valid renewal, extension, amendment, modification, supplement, restatement, replacement or substitution of or for such Loan Document. This Agreement is a "Loan Document" referred to in the Business Loan Agreement, and the provisions relating to "Loan Documents" in the Business Loan Agreement are incorporated by reference, the same as if set forth verbatim in this Agreement.

2. Consent and Forbearance.

(a) Subject to the other terms and provisions of this Agreement, BCS hereby provides its consent to the transfer by Borrower to MOD of all of the issued and outstanding stock of NSC and NSI, over which BCS has a security interest pursuant to the Loan Documents.

(b) Subject to the other terms and provisions of this Agreement, BCS agrees to forbear from exercising any remedies available to them under the Business Loan Agreement and any other Loan Document until the first to occur of the following:

(i) December 31, 2016; or

(ii) Borrower fails to promptly perform any of its covenants or obligations under this Agreement

(c) This Agreement constitutes a consent and forbearance only and does not and shall not constitute (i) a release by BCS of the security interest granted to BCS by Borrower in all of Borrower's assets and property pursuant to the Loan Documents, including NSC and NSI, or (ii) a waiver by BCS of any default or event of default or an amendment or modification of the Business Loan Agreement, any other Loan Document, any supplement or schedule thereto, or any other document related to any of the foregoing. Except to the extent of the consent contained in Section 2(a) of this Agreement, BCS does not consent to the transfer or disposition of any of Borrower's assets or property and the parties hereto hereby agree that such consent shall not be construed as a consent to the elimination of any security interest or the removal of any lien with respect to any of Borrower's assets or property. Except to the extent of the forbearance contained in Section 2(b) of this Agreement, BCS reserves all of its rights, remedies, powers and privileges under the Notes, the Business Loan Agreement, the other Loan Documents, the schedules thereto and otherwise with respect to any and all existing and future defaults and events of default, including, without limitation, the Existing Event of Default. Except as expressly set forth in this Agreement, no waiver, consent, agreement, amendment, renewal, extension, modification, standstill, release or understanding of any kind or nature whatsoever shall be binding on BCS unless and until one or more counterparts of a document in writing specifically affirming the same has been executed by BCS. No failure or delay by BCS with respect to exercising any right, remedy, power or privilege under the Business Loan Agreement, the other Loan Documents or otherwise shall operate as a waiver thereof or any acquiescence therein.

3. Amendments to Business Loan Agreement. Effective as of the date hereof, the Business Loan Agreement is hereby amended as follows:

(a) The definition of "NS Entities" in the Business Loan Agreement is amended to mean Borrower, MOD, NSC and NSI.

(b) Subsections (a) through (d) of Section 7 of the Business Loan Agreement are amended to read as follows:

(a) Annual Financial Statements. Within 90 days after the end of each fiscal year of Multiplayer Online Dragon, Inc., a Nevada corporation ("MOD"), audited financial statements of MOD and its subsidiaries on a consolidated basis, including a balance sheet, an income statement, and a cash flow statement.

(b) Quarterly Financial Statements. Within 45 days after the end of each fiscal quarter of MOD, quarterly unaudited financial statements of MOD and its subsidiaries on a consolidated basis, including a balance sheet, an income statement, and a cash flow statement.

(c) Monthly Financial Statements. Within 30 days after the end of each month, monthly financial statements of MOD and its subsidiaries on a consolidated basis, including a balance sheet, an income statement, a cash flow statement, and such other general operating reports as may be reasonably requested by BCS.

(d) Federal Income Tax Returns. To BCS, copies of federal income tax returns of MOD and its subsidiaries within 30 days after the applicable tax reporting deadline as the same may be extended.

4. Conditions Precedent. Notwithstanding any contrary provisions, the foregoing paragraphs in this Agreement are not effective unless and until:

(a) Borrower's representations and warranties in this Agreement are true and correct;

(b) no event of default (other than the Existing Event of Default) shall have occurred and be continuing under the Notes or the Loan Documents and no event or condition shall have occurred that with the giving of notice or lapse of time or both would be an event of default thereunder;

(c) BCS has received counterparts of this Agreement executed by Borrower;

(d) BCS has received a fully executed version of the Stock Pledge Agreement, by and between Borrower as pledgor and BCS as pledgee, in the form attached hereto as Exhibit A (the "MOD Stock Pledge Agreement");

(e) BCS has received original stock certificates evidencing Borrower's ownership of the shares of MOD stock received by Borrower as a result of the consummation of the Transaction;

(f) BCS has received a fully executed version of the Stock Pledge Agreement, by and between MOD as pledgor and BCS as pledgee, in the form attached hereto as Exhibit B (the "Subsidiary Stock Pledge Agreement");

(g) BCS has received original stock certificates evidencing MOD's ownership of the shares of NSC and NSI stock, respectively, received by MOD as a result of the consummation of the Transaction;

(h) BCS has received a fully executed version of the Subsidiary Guaranty, by and among NSC and NSI as guarantors and BCS as beneficiary, in the form attached hereto as Exhibit C (the "Guaranty," and together with the MOD Stock Pledge Agreement and Subsidiary Stock Pledge Agreement, the "Ancillary Agreements"); and

(i) all corporate proceedings taken by Borrower in connection with the transactions contemplated by this Agreement and all documents, instruments and other legal matters incident thereto shall be reasonably satisfactory to Borrower and its legal counsel.

5. Ratifications. This Agreement modifies and supersedes all inconsistent terms and provisions of the Notes, the Loan Documents and each schedule and supplement thereto and, except as expressly modified and superseded by this Agreement, each such document is ratified and confirmed and continues in full force and effect. Without limiting the generality of the foregoing, Borrower hereby ratifies and confirms that all liens and security interests heretofore granted in favor of BCS were intended to, do, and continue to secure the full payment and performance of Borrower's obligations under the Notes and the Loan Documents. Borrower agrees to perform such acts and duly authorize, execute, acknowledge, deliver, file and record such additional assignments, security agreements, modifications or amendments to any of the foregoing, and such other agreements, documents, and instruments as BCS may reasonably request in order to perfect and protect such liens and preserve and protect the rights of BCS in respect of all present and future collateral. Notwithstanding the foregoing, Borrower hereby authorizes BCS to file and record any Uniform Commercial Code financing statements, and any necessary modifications or amendments thereto, as reasonably necessary in order to perfect and protect such liens and all prior actions taken by BCS to file and record such financing statements are hereby ratified and authorized by Borrower in all respects.

6. Loan Documents. Borrower and BCS agree that they shall not and shall not permit NSC, NSI or any other party to amend, modify, transfer or assign this Agreement, the Business Loan Agreement, the Notes or any of the other Loan Documents without the prior written consent of MOD.

#### 7. Representations, Warranties and Covenants

(a) Borrower hereby represents and warrants to BCS that (a) this Agreement has been duly executed and delivered by Borrower, (b) no action of, or filing with, any governmental authority is required to authorize, or is otherwise required in connection with, the execution, delivery, and performance by Borrower of this Agreement, (c) this Agreement is valid and binding upon Borrower and is enforceable against Borrower in accordance with its terms, except as limited by any applicable debtor relief laws, (d) the Ancillary Agreements are valid and binding upon NSC, NSI and MOD, to the extent each of the foregoing is a party, and are enforceable against the parties thereto in accordance with their respective terms, (e) the execution, delivery and performance by Borrower of this Agreement do not require the consent of any other person or entity and do not and will not constitute a violation of any laws, regulations, agreements or understandings to which Borrower is a party or by which Borrower is bound, (f) the execution, delivery and performance by NSC, NSI and MOD of the Ancillary Agreements to which each is a party do not require the consent of any other person or entity and do not and will not constitute a violation of any laws, regulations, agreements or understandings to which NSC, NSI or MOD is a party, (g) the representations and warranties contained in the Business Loan Agreement and any other Loan Document are true and correct in all material respects as of the date of this Agreement, (h) as of the date of this Agreement, no event of default (other than the Existing Event of Default) exists under the Notes or the Loan Documents and (i) Borrower has provided to BCS, prior to the date hereof, true, complete and correct copies of all agreements, contracts, certificates and other documents related to the Transaction.

(b) Borrower hereby covenants to BCS that during the term of this Agreement:

(i) Borrower shall pay all property taxes on its assets on or before the date on which such taxes are due;

(ii) Borrower shall maintain all insurance policies covering Borrower's assets in effect as of the date of this Agreement, pay all premiums with respect to such insurance policies, and prepay for an additional twelve months of coverage under such insurance policies (after the insurance financing arrangement for the current year concludes);

(iii) no event of default (other than the Existing Event of Default) under the Notes or the Loan Documents shall occur; and

(iv) Borrower shall not pay any bonuses to any employee or other person or entity that is performing, or performed, services for Borrower, NSC, or either of their affiliates.

8. Release of all Claims. BORROWER HEREBY UNCONDITIONALLY RELEASES AND FOREVER DISCHARGES BCS AND ITS SUCCESSORS, ASSIGNS, AGENTS, DIRECTORS, OFFICERS, EMPLOYEES, AFFILIATES, ACCOUNTANTS, CONSULTANTS, CONTRACTORS, ADVISORS AND ATTORNEYS (COLLECTIVELY, THE "BENEFITED PARTIES") FROM ALL CLAIMS (AS DEFINED BELOW) AND AGREES TO INDEMNIFY THE BENEFITED PARTIES, AND HOLD THEM HARMLESS FROM ANY AND ALL CLAIMS, LOSSES, CAUSES OF ACTION, COSTS AND EXPENSES OF EVERY KIND OR CHARACTER IN CONNECTION WITH THE CLAIMS. AS USED IN THIS AGREEMENT, THE TERM "CLAIMS" MEANS ANY AND ALL POSSIBLE CLAIMS, DEMANDS, ACTIONS, CAUSES OF ACTION, COSTS, EXPENSES AND LIABILITIES WHATSOEVER, KNOWN OR UNKNOWN, AT LAW OR IN EQUITY, ORIGINATING IN WHOLE OR IN PART, WHICH BORROWER, OR ANY OF ITS AGENTS, EMPLOYEES OR AFFILIATES MAY HAVE OR CLAIM AGAINST ANY OF THE BENEFITED PARTIES FOR OR BY REASON OF ANY ACT, CONDUCT OR OMISSION FROM ANY TIME PRIOR TO THE DATE OF THIS AGREEMENT TO THE DATE OF THIS AGREEMENT IN CONNECTION WITH THE NOTES OR ANY LOAN DOCUMENT IRRESPECTIVE OF WHETHER ANY SUCH CLAIMS ARISE OUT OF CONTRACT, TORT, VIOLATION OF LAW OR OTHERWISE, INCLUDING ANY CONTRACTING FOR, CHARGING, TAKING, RESERVING, COLLECTING OR RECEIVING INTEREST IN EXCESS OF THE MAXIMUM RATE OF INTEREST CHARGEABLE UNDER APPLICABLE LAW AND INCLUDING ANY LOSS, COST OR DAMAGE, OF ANY KIND OR CHARACTER, ARISING OUT OF OR IN ANY WAY CONNECTED WITH OR IN ANY WAY RESULTING FROM THE ACTIONS OR OMISSIONS OF THE BENEFITED PARTIES IN CONNECTION WITH THE NOTES OR ANY LOAN DOCUMENT PRIOR TO THE DATE OF THIS AGREEMENT, INCLUDING ANY BREACH OF FIDUCIARY DUTY, BREACH OF ANY DUTY OF GOOD FAITH OR FAIR DEALING, BREACH OF CONFIDENCE, UNDUE INFLUENCE, DURESS, ECONOMIC COERCION, CONFLICT OF INTEREST, NEGLIGENCE, BAD FAITH, MALPRACTICE, VIOLATIONS OF THE RACKETEER INFLUENCED AND CORRUPT ORGANIZATIONS ACT, INTENTIONAL OR NEGLIGENT INFLICTION OF MENTAL DISTRESS, TORTIOUS INTERFERENCE WITH CONTRACTUAL RELATIONS, TORTIOUS INTERFERENCE WITH CORPORATE GOVERNANCE OR PROSPECTIVE BUSINESS ADVANTAGE, BREACH OF CONTRACT, DECEPTIVE TRADE PRACTICES, LIBEL, SLANDER, CONSPIRACY OR ANY CLAIM FOR WRONGFULLY ACCELERATING ANY OBLIGATIONS OR WRONGFULLY ATTEMPTING TO FORECLOSE ON OR SET OFF ANY COLLATERAL. BORROWER AGREES THAT NONE OF THE BENEFITED PARTIES HAVE FIDUCIARY OR SIMILAR OBLIGATIONS TO BORROWER OR ANY AGENTS, EMPLOYEES OR AFFILIATES OF BORROWER AND THAT THEIR RELATIONSHIPS ARE STRICTLY THAT OF CREDITOR AND DEBTOR. THIS RELEASE IS ACCEPTED BY BCS PURSUANT TO THIS AGREEMENT AND SHALL NOT BE CONSTRUED AS AN ADMISSION OF LIABILITY BY BCS OR ANY OTHER BENEFITED PARTY.

BORROWER ACKNOWLEDGES THAT THE FOREGOING PROVISIONS ARE INTENDED TO RELEASE BCS FROM LIABILITY AND/OR INDEMNIFY AND HOLD HARMLESS BCS FOR, AMONG OTHER THINGS, THE ORDINARY NEGLIGENCE OF SUCH PARTY IN CONNECTION WITH THE NOTES OR ANY LOAN DOCUMENT PRIOR TO THE DATE OF THIS AGREEMENT. BORROWER AGREES THAT THE RELEASE AND/OR INDEMNITY PROVISIONS CONTAINED IN THIS AGREEMENT ARE CAPTIONED TO CLEARLY IDENTIFY THE RELEASE AND/OR INDEMNITY PROVISIONS AND, THEREFORE, ARE SO CONSPICUOUS THAT BORROWER HAS FAIR NOTICE OF THE EXISTENCE AND CONTENTS OF SUCH PROVISIONS.

9. Acknowledgment of Understanding. Borrower represents and states that it has carefully and completely read the terms of this Agreement, that it knows the contents hereof, that it has complete information and has had the opportunity to obtain complete information material to the contents and terms hereof, that the terms of this Agreement are fully understood, have been negotiated at arm's length and are voluntarily accepted, and that Borrower has signed this Agreement each of its own free will, act and deed and upon advice of competent counsel.

10. Counterparts. This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument. A signature to this Agreement transmitted electronically shall have the same authority, effect, and enforceability as an original signature.

11. Parties Bound. This Agreement binds and inures to the benefit of Borrower, MOD, BCS and their respective successors and permitted assigns.

12. Entirety. THIS AGREEMENT, THE BUSINESS LOAN AGREEMENT, THE OTHER LOAN DOCUMENTS AND THE SCHEDULES AND SUPPLEMENTS THERETO REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES FOR THE TRANSACTIONS THEREIN, AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS BETWEEN THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

13. Limited Forbearance. Borrower hereby acknowledge that the forbearance set forth herein is a limited, one time agreement to forbear and nothing contained herein shall obligate BCS to grant any additional or future forbearance or forbearance extensions or to amend any provision of this Agreement, the Notes, or any other Loan Document.

*[Remainder of page intentionally left blank. Signature page follows.]*

IN WITNESS WHEREOF, this Fifth Forbearance Agreement has been duly executed as of the date first written above.

NATURALSHRIMP HOLDINGS, INC.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: 2068 N. Valley Mills Drive  
Waco, Texas 76110

MULTIPLAYER ONLINE DRAGON, INC.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: 9477 Greenback Lane, Suite 524A  
Folsom, CA 95630

BAPTIST COMMUNITY SERVICES

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: 701 Park Place  
Amarillo, Texas 79109

# STOCK PLEDGE AGREEMENT

This STOCK PLEDGE AGREEMENT ("Agreement"), dated as of January \_\_, 2015, is by and between Multiplayer Online Dragon, Inc., a Nevada corporation (the "Pledgor"), and Baptist Community Services, a Texas non-profit corporation (the "Pledgee"). In consideration of the mutual promises contained in this Agreement, and intending to be legally bound, Pledgor and Pledgee agree as follows:

WHEREAS, Amarillo National Bank ("ANB"), NaturalShrimp Holdings, Inc., a Delaware corporation ("NSH"), NaturalShrimp Corporation, a Delaware corporation ("NSC"), NaturalShrimp Global, Inc., a Delaware corporation formerly known as NaturalShrimp International, Inc. ("NSI"), Natural Shrimp San Antonio, L.P., a Texas limited partnership, Shirley Williams, Gerald Easterling and Mary Ann Untermeyer, and High Plains Christian Ministries Foundation, are or were parties to that certain Loan Agreement dated September 13, 2005, as amended and modified by the certain Consent Agreement, dated as of October 13, 2006, by and among the same parties (collectively, the "Loan Agreement"), pursuant to which NSH issued to ANB a secured promissory note, dated September 13, 2005, in the original principal amount of \$1,500,000, (such secured promissory note, as modified as provided below, the "Note");

WHEREAS, subsequent to the closing of the Loan Agreement, the Note was modified (i) by that certain Change In Terms Agreement dated September 16, 2006, whereby the principal amount of the Note was increased to \$2,000,000 and the maturity date was extended to September 13, 2008, and (ii) on September 13, 2008 to extend the maturity date of the Note to September 15, 2009;

WHEREAS, NSH's obligations under the Note are secured by: (i) security interests granted pursuant to that certain Security Agreement dated September 13, 2005; (ii) Subordination Agreements dated September 13, 2005 entered into by the limited partners of Natural Shrimp San Antonio, L.P. for the benefit of ANB; and (iii) Pledge Agreements dated September 13, 2005 entered into by NSH and certain shareholders of NSH for the benefit of ANB, (collectively, with the Loan Agreement, the "Loan Documents");

WHEREAS, ANB and Pledgee are parties to that certain Assignment Agreement dated March 26, 2009, pursuant to which ANB assigned and transferred to Pledgee all of ANB's right, title and interest in and to (i) the Note, including all moneys now due or hereafter to become due to ANB under the Note; (ii) the Loan Agreement and (iii) the Loan Documents;

WHEREAS, NSH issued to Pledgee a subordinated promissory note, dated December 31, 2008, in the original principal amount of \$70,000 and with a maturity date of September 15, 2009 to provide working capital to Pledgor for its use to pay interest due under the Note, taxes, and premiums for insurance policies covering its assets (such subordinated promissory note, as modified on April 7, 2009, collectively with the Note, the "Notes")

WHEREAS, Pledgor has requested that Pledgee provide its consent under the Loan Documents for a proposed transaction (the "Transaction") between NSH and Pledgor, whereby NSH will acquire approximately seventy two percent (72%) of the issued and outstanding stock of Pledgor as consideration for the acquisition by Pledgor from NSH of all of the issued and outstanding stock of NSH's wholly owned subsidiaries, NSC and NSI, over which Pledgee has a security interest pursuant to the Loan Documents, which Pledgee has agreed to do so subject to, as a condition precedent, the execution of this Agreement;

NOW, THEREFORE, in consideration of the premises herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. Definitions. As used herein, the following terms shall have the meanings set forth below. Capitalized terms not defined herein shall have the meanings given them in the Loan Agreement.

"Agreement" has the meaning set forth in the Preamble hereto.

"ANB" has the meaning set forth in the Recitals hereto.

"Event of Default" shall mean an Event of Default under any of the Loan Documents and any of the following: (i) the breach in any material respect of any warranty, representation or covenant made by the Pledgor under this Agreement or any other Loan Document, (ii) the Pledged Collateral is assigned for the benefit of creditors, or bankruptcy proceedings are commenced by or against the Pledgor, or (iii) any lien attaches to any of the Pledged Collateral other than the lien and security interest granted hereby.

"Governing Documents" means the certificate of incorporation and bylaws, each as amended and in effect as of the date of this Agreement, of NSC and NSI, as well as any other agreement, including, without limitation, any shareholders agreement or voting agreement, to which the Pledged Interests are subject or which otherwise relates to the voting, consensual and other powers of ownership pertaining to the Pledged Interests.

“Guaranty Agreement” means the guaranty agreement by and between NSC and NSI, as guarantors, and Pledgee in favor of Pledgee, dated as of even date herewith.

“Guaranty Repayment” means the obligation of NSC and NSI to pay any and all amounts under the Guaranty Agreement to satisfy the obligation to pay principal of and interest on the Notes by NSH, plus any interest thereon and any costs and expenses Pledgee is entitled to recover pursuant to the terms of the Loan Agreement.

“Loan Agreement” has the meaning set forth in the Recitals hereto.

“Loan Documents” has the meaning set forth in the Recitals hereto.

“MOD” has the meaning set forth in the Recitals hereto.

“Note” has the meaning set forth in the Recitals hereto.

“Notes” has the meaning set forth in the Recitals hereto.

“NSC” has the meaning set forth in the Recitals hereto.

“NSH” has the meaning set forth in the Recitals hereto.

“NSI” has the meaning set forth in the Recitals hereto.

“Pledged Collateral” shall have the meaning ascribed thereto in Section 3 hereof.

“Pledged Interests” shall mean all the capital stock of NSC and NSI owned by the Pledgor, either owned at the date of this Agreement or hereafter acquired.

“Transaction” has the meaning set forth in the Recitals hereto.

“Uniform Commercial Code” shall mean the Uniform Commercial Code as in effect from time to time in the State of Texas.

Section 2. Representations and Warranties. Pledgor represents and warrants to Pledgee that:

(a) Pledgor is the sole beneficial owner of the Pledged Collateral in which it grants the security interests pursuant to Section 3 hereof and no lien exists upon such Pledged Collateral (and no right or option to acquire the same exists in favor of any other person or entity), except for the pledge and security interests in favor of Pledgee created or provided for herein, which pledge and security interests will constitute a first priority perfected pledge and security interest in and to all of the Pledged Collateral.

(b) The Pledged Interests owned by Pledgor are, and any other interest in which Pledgor shall hereafter grant a security interest pursuant to Section 3 hereof will be, duly authorized and validly issued and no such interest is or will be subject to any contractual restriction or any restriction under the Governing Documents upon the transfer of such Pledged Interests (except for any such restriction contained herein).

(c) The Pledged Interests constitute all of the issued and outstanding stock in NSC and NSI held by Pledgor and such Pledged Interests are owned by Pledgor.

(d) No authorization or approval or other action by and no notice to or filing with, any governmental authority is required for:

(i) the grant by Pledgor of the liens granted pursuant to this Agreement; or

(ii) the perfection of Pledgee's security interests.

(e) There is no financing statement, security agreement, chattel mortgage or other document filed or recorded with any filing records, registry or other public office, that purports to cover, affect or give notice of any present or possible future lien on, or security interest in, the Pledged Collateral or any rights relating thereto.

### Section 3. The Pledge.

3.01 Pledged Collateral. As collateral security for the prompt payment in full when due of the Notes, the Guaranty Repayment and any interest thereon, Pledgor hereby pledges and grants to each Pledgee a security interest in all of Pledgor's right, title and interest in the following property, whether now owned by Pledgor or hereafter acquired and whether now existing or hereafter coming into existence (all being collectively referred to herein as "Pledged Collateral");

(a) the Pledged Interests;

(b) all cash dividends, stock splits, stock dividends, or other similar right associated with the Pledged Interests;

(c) all other rights and privileges with respect to such Pledged Interests; and

(d) all proceeds of and to any of the property of Pledgor described in the preceding clauses of this Section 3 (including, without limitation, all causes of action, claims and warranties now or hereafter held by Pledgor in respect of any of the items listed above) and, to the extent related to any property described in said clauses or such proceeds, all books, correspondence, credit files, records, invoices and other papers.

3.02 Order of Priority. Pledgor shall have a first priority lien and security interest in the Pledged Collateral.

Section 4. Further Assurances: Remedies. In furtherance of the grant of the pledge and security interests pursuant to Section 3 hereof, Pledgor hereby agrees with Pledgee as follows:

4.01 Delivery and Other Perfection. Pledgor shall deliver the certificates representing the Pledged Interests, together with stock transfer powers duly executed in blank, upon execution of this Agreement to Pledgee and shall give, execute, deliver, file and/or record any financing statement, notice, instrument, document, agreement or other papers that may be necessary or desirable (in the reasonable judgment of Pledgee) to create, preserve, perfect or validate the security interest granted pursuant hereto or to enable Pledgee to exercise and enforce its rights hereunder with respect to such pledge and security interest.

4.02 Certain Covenants of Pledgor.

(a) Pledgor will not create, permit or suffer to exist, and Pledgor will defend the Pledged Collateral against, and take such other action as is necessary to remove, any lien on the Pledged Collateral, and will defend the right, title and interest of Pledgee in and to any of Pledgor's rights under the Pledged Collateral against the claims and demands of all persons whomsoever.

(b) Pledgor will advise Pledgee promptly upon obtaining actual knowledge thereof, in reasonable detail, of any lien or claim made or asserted against any of the Pledged Collateral.

(c) Until the Notes are paid in full, Pledgor shall not, and shall cause NSC and NSI not to, without the prior written consent of Pledgee:

(i) declare or pay any dividend, distribution or allocation of any of their cash or assets to any of their respective stockholders or to any other Person;

(ii) incur any additional debt, other than (A) debt (including capitalized lease obligations) incurred after the date hereof, in an aggregate principal amount outstanding at any one time not in excess of \$250,000, solely for the purpose of financing all or any part of the acquisition cost of any equipment, and (B) trade payables in the ordinary course of business; or

(iii) make any change to their corporate existence and fail to observe corporate formalities in their dealings with each other.

#### 4.03 Certain Rights Concerning the Pledged Collateral.

- (a) So long as no Event of Default shall have occurred and be continuing, Pledgor shall have the right to exercise all voting, consensual and other powers of ownership pertaining to the Pledged Interests owned by Pledgor for all purposes not inconsistent with the terms of this Agreement.
- (b) Unless and until an Event of Default has occurred and is continuing, Pledgor shall be entitled to receive and retain any dividends or other distributions on the Pledged Interests paid in cash out of earned surplus that they are permitted to receive.
- (c) If any Event of Default shall have occurred, then so long as such Event of Default shall continue, and whether or not Pledgee exercises any available right or seek or pursue any other relief or remedy available to it under applicable law or under this Agreement relating to such Event of Default, all dividends and other distributions on the Pledged Interests shall be paid directly to Pledgee and retained by it as part of the Pledged Collateral, subject to the terms of this Agreement, provided that if such Event of Default is cured, any such dividend or distribution theretofore paid to Pledgee shall, upon request of Pledgor (except to the extent theretofore applied to the Guaranty Repayment), be returned by Pledgee to Pledgor.

#### 4.04 Events of Default.

- (a) Event of Default. During the period during which an Event of Default shall have occurred and be continuing:
- (1) Pledgee shall have all of the rights and remedies with respect to the Pledged Interests of a secured party under the Uniform Commercial Code (whether or not said Code is in effect in the jurisdiction where the rights and remedies are asserted) and such additional rights and remedies to which a secured party is entitled under the laws in effect in any jurisdiction where any rights and remedies hereunder may be asserted, including, without limitation, the right to exercise all voting, consensual and other powers of ownership pertaining to the Pledged Interests as if Pledgee were the sole and absolute owners thereof (and Pledgor agrees to take all such action as may be appropriate to give effect to such right);
- (2) Pledgee in its discretion, may in its name or in the name of Pledgor, demand, sue for, collect or receive any money or property at any time payable or receivable on account of or in exchange for any of the Pledged Interests, but shall be under no obligation to do so; and
- (3) Pledgee may, upon fifteen (15) days' prior written notice to Pledgor of the time and place, with respect to the Pledged Interests or any part thereof that shall then be or shall thereafter come into the possession, custody or control of Pledgee or any of its agents, sell, lease, assign or otherwise dispose of all or any part of such Pledged Interests, at such place or places as Pledgee deems best, and for cash or for credit or for future delivery (without thereby assuming any credit risk), at public or private sale, without demand of performance or notice of intention to effect any such disposition or of the time or place thereof (except such notice as is required above or by applicable statute and cannot be waived), and Pledgee or anyone else may be the purchaser, lessee, assignee or recipient of any or all of the Pledged Interests so disposed of at any public sale (or, to the extent permitted by law, at any private sale) and thereafter hold the same absolutely, free from any claim or right of whatsoever kind, including any right or equity of redemption (statutory or otherwise), of Pledgor, any such demand, notice and right or equity being hereby expressly waived and released. Pledgee may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for the sale, and such sale may be made at any time or place to which the sale may be so adjourned.
- (b) The proceeds of each collection, sale or other disposition under this Section 4.04 shall be applied in accordance with Section 4.06 hereof.
- (c) Pledgor recognizes that, by reason of certain prohibitions contained in the Securities Act of 1933, and applicable state securities laws, Pledgee may be compelled, with respect to any sale of all or any part of the Pledged Collateral, to limit purchasers to those who will agree, among other things, to acquire the Pledged Collateral for its own account, for investment and not with a view to the distribution or resale thereof. Pledgor acknowledges that any such private sales may be at prices and on terms less favorable to Pledgee than those obtainable through a public sale without such restrictions, and, agrees that given such circumstances a private sale is a commercially reasonable manner of disposing of the Pledged Collateral and that Pledgee shall have no obligation to engage in public sales and no obligation to delay the sale of any Pledged Collateral for the period of time necessary to permit the issuer thereof to register it for public sale.
- (d) Pledgee may act in its own best interest in pursuing remedies under this Agreement without regard to the interests of the Pledgor or any of its agents or representatives. The powers conferred on Pledgee hereunder are solely to protect its interest in the Pledged Collateral and shall not impose any duty on it to exercise any such powers. To the extent permitted by applicable law, Pledgor waives all claims, damages, and demands it may acquire against Pledgee arising out of the exercise by Pledgee of its rights hereunder, except for those arising from Pledgee's gross negligence or willful misconduct.

4.05 Private Sale. Pledgee shall incur no liability as a result of the sale of the Pledged Collateral, or any part thereof, at any private sale pursuant to Section 4.04 hereof conducted in a commercially reasonable manner. Pledgor hereby waives any claims against Pledgee arising by reason of the fact that the price at which the Pledged Collateral may have been sold at such a private sale was less than the price that might have been obtained at a public sale or was less than the aggregate amount of the Guaranty Repayment.

4.06 Application of Proceeds. Except as otherwise herein expressly provided, the proceeds of any collection, sale or other realization of all or any part of the Pledged Collateral pursuant hereto, and any other cash at the time held by Pledgee under this Section 4, shall be applied by Pledgee:

- (a) First, to pay any amounts due and not yet paid (other than principal of and interest on the Notes) to Pledgee pursuant to the terms of the Loan Agreement;
- (b) Second, to payment in full of the Guaranty Repayment (if any) and the payment of the reasonable costs and expenses of such collection, sale or other realization, including reasonable out-of-pocket costs and expenses of Pledgee and the reasonable fees and expenses of its agents and counsel, and all reasonable expenses incurred and advances made by Pledgee in connection therewith; and
- (c) Finally, to the payment to Pledgor, or its respective successors or assigns, or as a court of competent jurisdiction may direct, of any surplus then remaining.

As used in this Section 4, “proceeds” of Pledged Collateral shall mean cash, securities and other property realized in respect of, and distributions in kind of, Pledged Collateral, including any thereof received under any reorganization, liquidation or adjustment of debt of Pledgor or any issuer of or obligor on any of the Pledged Collateral.

4.07 Attorney-in-Fact. Upon the occurrence and during the continuance of any Event of Default, Pledgee is hereby appointed Pledgor’s attorney-in-fact for the purpose of carrying out the provisions of this Section 4 and taking any action and executing any instruments that Pledgee may deem necessary or advisable to accomplish the purposes hereof, which appointment as attorney-in-fact is irrevocable and coupled with an interest. Without limiting the generality of the foregoing, so long as Pledgee shall be entitled under this Section 4 to make collections in respect of the Pledged Collateral, Pledgee shall have the right and power to receive, endorse and collect all checks made payable to the order of Pledgor representing any dividend, payment or other distribution in respect of the Pledged Collateral or any part thereof and to give full discharge for the same.

4.08 Continuing Security Interest; Termination. This Agreement shall create a continuing security interest in the Pledged Collateral and shall (i) remain in full force and effect until the payment in full of the Notes, Guaranty Repayment (if any) and any other amounts payable pursuant to the terms and provisions of the Loan Documents, (ii) be binding upon Pledgor and its respective successors and assigns, and (iii) inure, together with the rights and remedies of Pledgee hereunder, to the benefit of Pledgee and its successors, transferees and assigns. When the Notes, the Guaranty Repayment and any other amounts payable pursuant to the terms and provisions of the Loan Documents shall have been paid in full, this Agreement shall terminate, and Pledgee shall, at the Pledgee’s expense, forthwith cause to be assigned, transferred and delivered, against receipt but without any recourse, warranty or representation whatsoever, any remaining Pledged Collateral and money received in respect thereof, to or on the order of Pledgor.

4.09 Further Assurances. Pledgor agrees that, from time to time upon the written request of Pledgee, Pledgor will execute and deliver such further documents and do such other acts and things as may be necessary or desirable or as Pledgee may reasonably request in order to perfect and protect any security interest granted or purported to be granted hereby or to enable Pledgee to exercise and enforce its rights and remedies hereunder with respect to any Pledged Collateral. Pledgor agrees to furnish any such information to Pledgee promptly upon reasonable request by Pledgee.

4.10 Transfer of Pledged Interests. Prior to the payment in full of the Notes, the Guaranty Repayment (if any) and any other amounts payable pursuant to the terms and provisions of the Loan Documents, Pledgor shall not transfer, assign, sell or otherwise dispose of its Pledged Interests without the prior written consent of Pledgee.

#### Section 5. Miscellaneous.

5.01 No Waiver. No failure on the part of Pledgee to exercise, and no course of dealing with respect to, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise by Pledgee of any right, power or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The remedies herein are cumulative and are not exclusive of any remedies provided by law.

5.02 Notices. All notices, requests, consents and demands hereunder shall be in writing and telecopied or delivered to the intended recipient at its address for notices specified under its signature hereto, and any such notices, requests, consents and demands shall be effective upon receipt.

5.03 Expenses. Pledgor agrees to reimburse Pledgee for all reasonable costs and expenses of Pledgee (including, without limitation, the reasonable fees and expenses of legal counsel) in connection with (a) any Event of Default, or failure to comply with this Agreement, and any enforcement or collection proceeding resulting therefrom (including, without limitation, all manner of participation in or other involvement with (i) performance by Pledgee of Pledgor’s obligations in respect of the Pledged Collateral that Pledgor has failed or refused to perform, (ii) bankruptcy, insolvency, receivership, foreclosure, winding up or liquidation proceedings, or any actual or attempted sale, or any exchange, enforcement, collection, compromise or settlement in respect of any of the Pledged Collateral, and for the care of the Pledged Collateral and defending or asserting rights and claims of Pledgee in respect thereof, by litigation or otherwise, (iii) judicial or regulatory proceedings and (iv) workout, restructuring or other negotiations or proceedings whether or not the workout, restructuring or transaction contemplated thereby is consummated); and (b) all costs and expenses associated with the enforcement of this Section 5.03. Furthermore, the cost and expenses associated with the enforcement of this Section 5.03 shall be entitled to the benefits of the collateral security provided pursuant to Section 3 hereof.

- 5.04 Amendments. No amendment, modification, termination or waiver of any provision of this Agreement, and no consent to any departure by Pledgor therefrom, shall in any event be effective unless the same shall be in writing and signed by Pledgee and, in the case of any such amendment or modification, by Pledgor. Any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given.
- 5.05 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of Pledgor's successors and assigns, provided, however, that Pledgor shall not assign or transfer its rights hereunder without the prior written consent of Pledgee.
- 5.06 Captions. The captions and section headings appearing herein are included solely for convenience of reference and are not intended to affect the interpretation of any provision of this Agreement.
- 5.07 Counterparts. This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument. A signature to this Agreement transmitted electronically shall have the same authority, effect, and enforceability as an original signature.
- 5.08 Governing Law. **THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF TEXAS (EXCLUDING ANY CONFLICTS OF LAW RULES WHICH WOULD OTHERWISE CAUSE THIS AGREEMENT TO BE CONSTRUED OR ENFORCED IN ACCORDANCE WITH THE LAWS OF ANY OTHER JURISDICTION), EXCEPT TO THE EXTENT THAT THE UCC PROVIDES THAT THE PERFECTION OF THE SECURITY INTEREST HEREUNDER, OR REMEDIES HEREUNDER, IN RESPECT OF ANY PARTICULAR PLEDGED COLLATERAL ARE GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF TEXAS.**
- 5.09 Severability. If any provision hereof is invalid and unenforceable in any jurisdiction, then, to the fullest extent permitted by law, (i) the other provisions hereof shall remain in full force and effect in such jurisdiction and shall be construed and interpreted according to the ordinary meaning of the words used so as to accomplish fairly the purposes and intentions of the parties hereto and (ii) the invalidity or unenforceability of any provision hereof in any jurisdiction shall not affect the validity or enforceability of such provision in any other jurisdiction.
- 5.10 Failure of Indulgence Not Waiver; Remedies Cumulative. No failure or delay on the part of Pledgee in the exercise of any power, right or privilege hereunder shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein, nor shall any single or partial exercise of any such power, right or privilege preclude any other or further exercise thereof or of any other power, right or privilege. All rights and remedies existing under this Agreement are cumulative to, and not exclusive of, any rights or remedies otherwise available.
- 5.11 Standard of Care. The powers conferred on Pledgee hereunder are solely to protect its interest in the Pledged Collateral and shall not impose any duty upon it to exercise any such powers. Except for the exercise of reasonable care in the custody of any Pledged Collateral in its possession and the accounting for moneys actually received by it hereunder, Pledgee shall have no duty as to any Pledged Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Pledged Collateral. Pledgee shall be deemed to have exercised reasonable care in the custody and preservation of Pledged Collateral in its possession if such Pledged Collateral is accorded treatment substantially equal to that which Pledgee accords its own property.
- 5.12 Consent to Jurisdiction and Service of Process.
- (a) Consent to Jurisdiction. ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR ANY OF THE DOCUMENTS, AGREEMENTS OR TRANSACTIONS CONTEMPLATED HEREBY OR ANY ACTION OR PROCEEDING TO EXECUTE OR OTHERWISE ENFORCE ANY JUDGMENT IN RESPECT OF ANY BREACH UNDER THIS AGREEMENT OR ANY DOCUMENT OR AGREEMENT CONTEMPLATED HEREBY MAY BE BROUGHT BY SUCH PARTY IN DISTRICT COURT LOCATED IN POTTER COUNTY, TEXAS AS SUCH PARTY MAY IN ITS SOLE DISCRETION ELECT, AND BY THE EXECUTION AND DELIVERY OF THIS AGREEMENT, THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMIT TO THE NON-EXCLUSIVE IN PERSONAM JURISDICTION OF EACH SUCH COURT, AND EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES AND AGREES NOT TO ASSERT IN ANY PROCEEDING BEFORE ANY TRIBUNAL, BY WAY OF MOTION, AS A DEFENSE OR OTHERWISE, ANY CLAIM THAT IS NOT SUBJECT TO THE IN PERSONAM JURISDICTION OF ANY SUCH COURT. IN ADDITION, EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE IN ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY DOCUMENT, AGREEMENT OR TRANSACTION CONTEMPLATED HEREBY BROUGHT IN ANY SUCH COURT, AND HEREBY IRREVOCABLY WAIVES ANY CLAIM THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN ANY INCONVENIENT FORUM.
- (b) Service of Process. EACH PARTY HERETO IRREVOCABLY AGREES THAT PROCESS SERVED, SERVED BY U.S. CERTIFIED MAIL OR SERVED IN THE MANNER PROVIDED FOR COMMUNICATIONS IN THIS AGREEMENT, AT THE ADDRESSES PROVIDED HEREIN FOR NOTICES, SHALL CONSTITUTE, TO THE EXTENT PERMITTED BY LAW, ADEQUATE SERVICE OF PROCESS IN ANY SUIT, ACTION OR PROCEEDING, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY DOCUMENT, AGREEMENT OR TRANSACTION CONTEMPLATED HEREBY, OR ANY ACTION OR PROCEEDING TO EXECUTE OR OTHERWISE ENFORCE ANY JUDGMENT IN RESPECT OF ANY BREACH HEREUNDER OR UNDER ANY DOCUMENT OR AGREEMENT CONTEMPLATED HEREBY. RECEIPT OF PROCESS SO SERVED SHALL BE CONCLUSIVELY PRESUMED AS EVIDENCED BY A DELIVERY RECEIPT FURNISHED BY THE UNITED STATES POSTAL SERVICE OR ANY COMMERCIAL DELIVERY SERVICE.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the day and year first above written.

**PLEDGOR:**

MULTIPLAYER ONLINE DRAGON, INC.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Address for Notices:

9477 Greenback Lane, Suite 524A  
Folsom, CA 95630  
Attn.: Principal Executive Officer

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the day and year first above written.

**PLEDGE:**

**BAPTIST COMMUNITY SERVICES**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Address for Notices:

701 Park Place  
Amarillo, TX 79101  
Attention: Stephen T. Dalrymple

**AGREEMENT REGARDING LOAN DOCUMENTS**

THIS AGREEMENT REGARDING LOAN DOCUMENTS (this “Agreement”) is entered into as of January \_\_, 2015, by and between NATURALSHRIMP HOLDINGS, INC., a Delaware corporation, (“Borrower”), and MULTIPLAYER ONLINE DRAGON, INC., a Nevada corporation (“MOD”).

WHEREAS, Amarillo National Bank (“ANB”), Borrower, NaturalShrimp Corporation, a Delaware corporation (“NSC”), NaturalShrimp Global, Inc., a Delaware corporation formerly known as NaturalShrimp International, Inc. (“NSI”), Natural Shrimp San Antonio, L.P., a Texas limited partnership, Shirley Williams, Gerald Easterling and Mary Ann Untermeyer, and High Plains Christian Ministries Foundation, are or were parties to that certain Business Loan Agreement dated September 13, 2005, as amended and modified by the certain Consent Agreement, dated as of October 13, 2006, by and among the same parties (collectively, the “Business Loan Agreement”), pursuant to which Borrower issued to ANB a secured promissory note, dated September 13, 2005, in the original principal amount of \$1,500,000, (such secured promissory note, as modified as provided below, the “Note”);

WHEREAS, subsequent to the closing of the Business Loan Agreement, the Note was modified (i) by that certain Change In Terms Agreement dated September 16, 2006, whereby the principal amount of the Note was increased to \$2,000,000 and the maturity date was extended to September 13, 2008, and (ii) on September 13, 2008 to extend the maturity date of the Note to September 15, 2009;

WHEREAS, Borrower’s obligations under the Note are secured by: (i) security interests granted pursuant to that certain Security Agreement dated September 13, 2005; (ii) Subordination Agreements dated September 13, 2005 entered into by the limited partners of Natural Shrimp San Antonio, L.P. for the benefit of ANB; and (iii) Pledge Agreements dated September 13, 2005 entered into by Borrower and certain shareholders of Borrower for the benefit of ANB (collectively, the “Security Documents”);

WHEREAS, ANB and Baptist Community Services, a Texas non-profit corporation (“BCS”), are parties to that certain Assignment Agreement dated March 26, 2009, pursuant to which ANB assigned and transferred to BCS all of ANB’s right, title and interest in and to (i) the Note, including all moneys now due or hereafter to become due to ANB under the Note; (ii) the Business Loan Agreement and (iii) the Security Documents;

WHEREAS, Borrower issued to BCS a subordinated promissory note, dated December 31, 2008, in the original principal amount of \$70,000 and with a maturity date of September 15, 2009 to provide working capital to Borrower for its use to pay interest due under the Note, taxes, and premiums for insurance policies covering its assets (such subordinated promissory note, as modified on April 7, 2009, collectively with the Note, the “Notes”; the Notes, collectively with the Security Documents, the Business Loan Agreement and all other documents and agreements relating to the Business Loan Agreement, the “Loan Documents”);

WHEREAS, as described in the letter sent by BCS’s counsel to Borrower on August 12, 2009, all obligations owed by Borrower under the Notes were payable and due in full on September 15, 2009, and, as described in the letter from BCS’s counsel to Borrower dated January 25, 2010, Borrower did not satisfy its obligations under the Notes on or before September 15, 2009 and all of Borrower’s obligations under the Notes, including, but not limited to, principal, accrued interest, fees and expenses remain past-due and payable in full (the “Existing Event of Default”);

WHEREAS, Borrower and BCS entered into a Forbearance Agreement, dated as of January 15, 2010, pursuant to which BCS agreed to forbear the exercise of its rights and remedies arising under the Loan Documents as a result of the Existing Event of Default until January 25, 2011;

WHEREAS, Borrower and BCS entered into a Second Forbearance Agreement dated as of March 30, 2011, pursuant to which BCS agreed to forbear the exercise of its rights and remedies arising under the Loan Documents as a result of the Existing Event of Default until March 30, 2012;

WHEREAS, Borrower and BCS entered into a Third Forbearance Agreement dated as of March 30, 2012, pursuant to which BCS agreed to forbear the exercise of its rights and remedies arising under the Loan Documents as a result of the Existing Event of Default until March 30, 2013;

WHEREAS, Borrower and BCS entered into a Fourth Forbearance Agreement dated as of March 30, 2013, pursuant to which BCS agreed to forbear the exercise of its rights and remedies arising under the Loan Documents as a result of the Existing Event of Default until March 30, 2015; and

WHEREAS, concurrently herewith, Borrower, MOD and BCS are entering into a Fifth Forbearance Agreement (herein so called), pursuant to which, among other things, BCS provides its consent under the Loan Documents for a proposed transaction (the “Transaction”) between Borrower and MOD, whereby Borrower will acquire approximately seventy two percent (72%) of the issued and outstanding stock of MOD as consideration for the acquisition by MOD from Borrower of all of the issued and outstanding stock of Borrower’s wholly owned subsidiaries, NSC and NSI, over which BCS has a security interest pursuant to the Loan Documents.

WHEREAS, pursuant to the Fifth Forbearance Agreement, MOD is entering into a Stock Pledge Agreement of even date herewith, pursuant to which MOD pledges all of its capital stock in NSC and NSI.

NOW, THEREFORE, in consideration of the premises herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Defined Terms; References. Unless otherwise stated in this Agreement, capitalized terms used but not defined herein shall have the meanings assigned to such terms (directly or by reference) in the Fifth Forbearance Agreement. References to any Loan Document shall include every valid renewal, extension, amendment, modification, supplement, restatement, replacement or substitution of or for such Loan Document.

2. Representations, Warranties and Covenants.

(a) Borrower hereby represents and warrants to MOD that (i) this Agreement has been duly executed and delivered by Borrower, (ii) no action of, or filing with, any governmental authority is required to authorize, or is otherwise required in connection with, the execution, delivery, and performance by Borrower of this Agreement, (iii) this Agreement is valid and binding upon Borrower and is enforceable against Borrower in accordance with its terms, except as limited by any applicable debtor relief laws, (iv) the execution, delivery and performance by Borrower of this Agreement do not require the consent of any other person or entity and do not and will not constitute a violation of any laws, regulations, agreements or understandings to which Borrower is a party or by which Borrower is bound, (v) the representations and warranties contained in the Fifth Forbearance Agreement, the Business Loan Agreement and any other Loan Document are true, correct and complete in all material respects as of the date of this Agreement, and (vi) as of the date of this Agreement, no event of default (other than the Existing Event of Default) and no event or condition that with the giving of notice or lapse of time or both would be an event of default exists under the Business Loan Agreement, the Notes or the other Loan Documents.

(b) Borrower hereby covenants to MOD that during the term of this Agreement:

(i) Borrower shall promptly pay and perform all of its covenants and obligations under the Fifth Forbearance Agreement, the Business Loan Agreement, the Notes and each of the other Loan Documents.

(ii) Borrower shall not cause or permit the occurrence of any event of default (other than the Existing Event of Default) under the Business Loan Agreement, the Notes or the other Loan Documents.

(iii) Borrower shall not, and shall not permit any other party to, amend, modify, transfer or assign this Agreement, the Fifth Forbearance Agreement, the Business Loan Agreement, the Notes or any of the other Loan Documents without the prior written consent of MOD.

(iv) Borrower shall immediately notify MOD of any breach of this Agreement or any provision hereof.

3. Counterparts. This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument. A signature to this Agreement transmitted electronically shall have the same authority, effect, and enforceability as an original signature.

4. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS.

5. Term of Agreement; Reinstatement. This Agreement shall remain in full force and effect until all indebtedness, obligations and liabilities of Borrower under the Fifth Forbearance Agreement, the Business Loan Agreement, the Notes and the other Loan Documents (the "Obligations") have been paid and performed in full. The obligations of Borrower under this Agreement shall continue to be effective or be reinstated, as the case may be, if at any time all or part of any payment of any of the Obligations is rescinded or must otherwise be returned by BCS or any other person or entity upon the insolvency, bankruptcy or reorganization of Borrower or any of the other NS Entities or otherwise.

6. Parties Bound. This Agreement binds and inures to the benefit of Borrower, MOD and their respective successors and assigns.

7. Entirety. THIS AGREEMENT, THE BUSINESS LOAN AGREEMENT, THE OTHER LOAN DOCUMENTS AND THE SCHEDULES AND SUPPLEMENTS THERETO REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES FOR THE TRANSACTIONS THEREIN, AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS BETWEEN THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

*[Remainder of page intentionally left blank. Signature page follows.]*

IN WITNESS WHEREOF, this Agreement has been duly executed as of the date first written above.

NATURALSHRIMP HOLDINGS, INC.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: 2068 N. Valley Mills Drive  
Waco, Texas 76110

MULTIPLAYER ONLINE DRAGON, INC.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: 9477 Greenback Lane, Suite 524A  
Folsom, CA 95630

## EXCLUSIVE RIGHTS AGREEMENT

This Rights Agreement (the "Rights") is entered into this \_\_\_\_ day of August, 2014 by and between NaturalShrimp Holdings, Inc., a Delaware corporation ("NSH") and its subsidiaries NaturalShrimp Corporation ("NSC") and NaturalShrimp Global, Inc. ("NSG") with its principal place of business at 2068 N. Valley Mills Drive, Waco, Texas 76710-2561, F&T Water Solutions, LLC, a Florida Limited Liability Company ("F&T") with its principal place of business 190 Spanish River Blvd., Boca Raton, FL 33431. The parties are collectively referred to as the "Parties" and singularly, a "Party."

## Recitals

- a. Reference is made to the continued development of an enclosed, recirculating shrimp-growing technology (the technology) to be co-developed by the parties beginning July \_\_\_\_ 2014, at R&D facility of NSC, located in La Coste Texas.
- b. Reference is further made to formation of a Joint Venture Agreement ("Members Agreement") which contemplates the formation of Natural Aquatic Systems, LLC ("NAS"), a new entity to be domiciled in Texas, to exploit a joint development for use of enclosed recirculating aquatic systems.
- c. The agreement further contemplates the preparation and execution of this Exclusive Rights Agreement for NSH and its subsidiaries to implement and use for commercial purpose any new, enhanced F&T water systems designed to improve the existing shrimp growing technology of NSH (as described below), New Technologies used or useful in the growing of shrimp, hatcheries and other enhancements developed by either Party; and
- d. This Agreement is intended to apply only with respect to use and exploitation of the shrimp growing technology.

## Agreements

NOW, THEREFORE, for and in consideration of the mutual promises and obligations set forth herein, the Parties, intending to be legally bound, hereby agree as follows:

Article 1: Definitions

1. **Definitions.** Subject to the terms and conditions used herein shall have the meaning set forth in this Section 1:

1.1. **Shrimp Technology** shall mean any and all inventions and intellectual property of NSH and its subsidiaries used in its current aquaculture and self-contained eco-systems for the growing and marketing of aquatic species, software designed to monitor and control such eco-systems and shall include but not limited to all Improvements, enhancements and Know-How as defined below.

1.2. **New Improvements** shall mean demonstrable F&T improvements and Know-How designed, created and implemented between the effective dates utilizing the F&T electro coagulation process. It shall also mean improvements and enhancements to the Shrimp Technology, whether or not patentable, conceived or acquired by either Party or to which either Party obtains rights which it can provide to the other without obligation to third parties, including changes made for the purpose of improving the operation, efficiency and marketing. The term "Improvements" does not include simple or minor modifications to the Shrimp Technology.

1.3. **Know-How** shall mean the engineering, design, and operational techniques possessed by NSH and its subsidiaries relating to the specifications (including specifications for the ingredients needed for the growing of aquatic species), design, construction, and operational performance of the Shrimp Technology, which are applicable within the field of aquaculture and self-contained eco-systems for the growing and marketing of shrimp, including hatcheries. The Know-How shall specifically include, but not be limited to Facility Construction Manuals, Facility Operational Manuals, and any local, state or federal governmental Rights or permits held, or hereinafter acquired. Know-How shall also include any information obtained by NSH and its subsidiaries through advisory personnel concerning the specifications, design, construction, and operational performance of the Shrimp Technology. All manuals and all other documents developed by NSH and its subsidiaries, being part of the Know-How, must be created, maintained and revised according to such system. Know-How shall also mean any publicity material developed by NSH and its subsidiaries concerning the marketing, sale and/or distribution of the Shrimp.

1.4. **Rights** shall mean, the right to use, enhance, improve and exploit the F&T Technologies by NSH and its subsidiaries.

1.5. **New Technology** shall mean a fully documented change, modification or development to the Shrimp Technology using the F&T electro coagulation process to increase NSC shrimp harvest survival.

## Article 2: Phase One Test

### 2. La Coste Test.

2.1. **Test Period.** Twelve weeks from the F&T systems connection and full operation of the NSH shrimp tank, providing the parties a direct comparison to the original 2012 electrocoagulation test.

### 2.2. Successful Test.....SEE EXHIBIT A

2.3. **Equipment Cost.** The Parties understand that to evaluate costs providing a good return on investment for the parties. The F&T electro coagulation equipment will have to be modified for NSC standard production requirements as determined during the first phase testing.

2.4. **Costs.** Each Party shall be responsible for its own costs, expenses, risks and liabilities arising out of its obligations under this test and the conduct of its operations, including costs related to the protection of intellectual property rights, confidential and proprietary information.

2.5. **Exclusive Rights.** Based on a successful test, NSH and its subsidiaries shall have the exclusive right to use in perpetuity the final design of the enclosed, recirculating shrimp system to incorporate the F&T Technology in the NSH shrimp growing Technology.

2.6. **License.** Upon completion of a Successful Test as described herein, the rights granted herein may, at the request of either party, be incorporated into a separate license agreement.

## Article 3: Confidentiality

3. **Confidentiality.** It is specifically understood and agreed that the Shrimp Technology, the Improvements, the New Technologies and Existing Improvements (the "Confidential Information") are strictly confidential and may not be disclosed to any third party without the express written consent of the other Party. Notwithstanding the foregoing, it is further agreed that the Confidential Information may be disclosed to prospective investors, a proposed licensee or sub-licensee as long as an enforceable confidentiality/non-disclosure and non-circumvention agreement is executed by such party or parties prior to the disclosure of any Confidential Information. At a minimum, the Confidentiality Agreement will provide that such party will use the same degree of care as it does to protect the confidentiality of its own confidential information but in no event less than reasonable degree of care.

## Article 4: Miscellaneous

4.1. **Term.** The term of this Rights Agreement shall be perpetual unless otherwise cancelled by the mutual agreement of the Parties.

4.2. **Disclaimer/Representations.** Each of the Parties hereunder disclaims any and all warranties of whatever sort, either express or implied, including without limitations, warranties of fitness for particular purpose or merchantability regarding or with respect to the Shrimp Technology, the Improvements, the Existing Improvements or New Technologies, the use or sale of Shrimp derived therefrom. Each Party makes no warranties or patentability, enforceability of patents or that same is or will be free from infringement. In addition, neither Party represents or warrants that the Shrimp Technology, Improvements, Existing Improvements or New Technologies will ultimately be commercial.

4.3. **Assignment.** It is specifically agreed that this Rights Agreement is personal in nature and extends only to the Parties hereto. Neither Party may assign all or a part of this agreement or the Shrimp Technology, improvements, existing improvements or New Technologies without the express written consent of the other Party. Notwithstanding the foregoing, the Parties are permitted to sub-license the technologies subject to this agreement as set forth herein. Subject to the foregoing, this Rights Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

4.4. **Notices and Responses.** All notices, responses and other communications required or permitted under this Agreement shall be in writing and unless otherwise specifically provided, shall be delivered personally, or by mail, facsimile or delivery service, to the address set forth opposite the signature of the parties below, and shall be considered delivered upon the date of receipt. Each party may specify a change of address by giving notice to the other party in the manner provided in this Section.

4.5. **Relationship of the Parties.** This Agreement is not intended to create, and shall not be construed to create, an agency or other relationship of partnership or an association for profit between or the parties. The liabilities of the parties shall be several, not joint or collective.

4.6. Entire Agreement. This Agreement constitutes the entire agreement and understanding between the parties, and may not be changed or amended in any way, except with the mutual consent of both parties, expressed in a written document executed by both parties.

4.7. Choice of Law. This Agreement shall be construed under and in accordance with the laws of the State of Texas, notwithstanding its rules concerning conflicts of laws.

4.8. Severability. In the event that any provision of this Agreement shall be held to be invalid, illegal or unenforceable, the remaining provisions shall nevertheless remain in full force and effect and binding and valid as between the parties, and shall be construed as if the invalid, illegal or unenforceable portion or portions were deleted.

4.9. Further Assurances. Each party shall, upon request of the other, prepare, execute and deliver all such other and further instruments and documents as are or may be reasonably necessary or convenient to effectuate and carry out the purposes of this Agreement.

4.10. Captions. In construing this Agreement, no consideration shall be given to the captions, which are inserted only for convenience in locating provisions in this Agreement, and not as an aid in its construction.

4.11. Counterparts. This Agreement may be executed in counterpart, each ach of which shall be considered an original, but all of which together shall constitute one and the same instrument.

*[Signature Page Follows]*

*[Signature Page to Rights Agreement]*

In witness whereof, the parties hereto have duly executed and signed this Agreement, in three (3) originals, on the date first written above.

**F&T WATER SOLUTIONS**

By: \_\_\_\_\_  
Peter Letizia, President

**NATURALSHRIMP HOLDINGS, INC.**

By: \_\_\_\_\_  
Gerald/Easterling, President

F&T Rights Agreement Exhibit A

The test is deemed successful if the shrimp under test show good growth and good survival as measured below while the system maintains good water quality with a reasonable operating cost during the 12-week test period. The initial PL stocking population density for the test is 400 shrimp per cubic meter.

- 1. The shrimp growth rate must meet or exceed the shrimp 24-week growth shown below during the 12-week period of the test. For example, if the 12-week test starts with an average shrimp weight of 0.5 grams (day 28), then a successful growth rate test is indicated by the average weight of the shrimp reaching at least 12.5 grams by the end of the 12-week test (day 112).



- 2. The shrimp survival must meet or exceed the shrimp 24-week survival shown below during the 12-week period of the test. For example, if the 12-week test starts with an 89% survival (day 28), then a successful survival test is indicated by a shrimp survival of at least 63% at the end of the 12-week test (day 112).



3. At the end of the 12-week test, an analysis will be performed to determine the total operating cost required for raising shrimp in a production facility designed to produce 6,000 pounds per week. The total operating cost must be less than \$TBD per pound of shrimp.
  4. During the 12-week test, the following bacteria and water quality of the shrimp tank will be monitored to ensure the proper growth environment for the shrimp:
    - a. Temperature
    - b. Salinity
    - c. Dissolved Oxygen
    - d. pH
    - e. Alkalinity
    - f. Carbon Dioxide
    - g. Hardness
      - i. Total
      - ii. Calcium
      - iii. Magnesium
    - h. Vibrio
    - i. Nitrogen Compounds
      - i. TAN
      - ii. Ammonia
      - iii. Nitrite
      - iv. Nitrate
      - v. DIN
    - j. Phosphate
    - k. Sulfur
    - l. Turbidity
      - i. Settleable
      - ii. Particulate
    - m. Chlorine/Aluminum/Iron depending on plate used during test
    - n. ORP
    - o. Trace metals
-

**MEMBERS' AGREEMENT**  
**BETWEEN**  
**NATURALSHRIMP HOLDINGS, INC.,**  
**F&T WATER SOLUTIONS, LLC,**  
**THE MEMBERS**  
**OF**  
**NATURAL AQUATIC SYSTEMS, LLC**

## 1. INTRODUCTION

This Agreement is made and entered into on August \_\_, 2014, by and between F&T Walter Solutions, LLC. ("**F&T**"), a Limited Liability Company formed under the laws of Florida, with registered address at 109 Spanish River Blvd., Boca Raton, FL 33431 and NATURALSHRIMP HOLDINGS, INC. ("**NSH**"), a company incorporated under the laws of the State of Delaware, USA, with registered address at 2068 N. Valley Mills Dr., Waco, Texas 76710. F&T, and NSH are the initial members of the Company and shall be collectively referred to herein as the "**Members**").

WHEREAS, F&T, and NSI shall enter into a joint venture, Natural Aquatic Systems, LLC (the "**Company**"); and

WHEREAS, the Company is intended to serve as a holding company registered under the laws of Texas, and, through wholly-owned subsidiaries organized under the laws of the country in which such subsidiary will be situated, shall be responsible for the construction and operation of shrimp production facilities using co-developed F&T, and NSH's proprietary technologies and know-how with respect to indoor recirculating aquatic species systems, (other than indoor recirculating shrimp systems), as more fully defined in Schedule 1 attached hereto (the "**Technology**"); and

WHEREAS, NSH will obtain fifty-percent of the outstanding equity interest in the Company and F&T will obtain fifty-percent of the outstanding equity in the Company;

WHEREAS, this Agreement intends to govern the relationship between the Members.

NOW, THEREFORE, for and in consideration of the premises, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

## 2. PURPOSE

- 2.1 The purpose of this Agreement is to govern and address the business relationship between the Members in regards to the ownership, construction, operation, and management of enclosed aquatic production facilities throughout the world co-developed initially in a R&D facility located in La Coste, Texas;
- 2.2 The Company shall be a legal entity formed under the laws of the State of Texas, USA, which shall be solely responsible for the development, construction, operation, and licensing of aquatic production facilities using the Technology. The Company will establish other subsidiaries and licensees as appropriate in order to cover the countries throughout the world.
- 2.3 The Members have agreed to develop a comprehensive three year business plan encompassing all potential enclosed recirculating aquatic species, except enclosed recirculating shrimp technologies. This enclosed shrimp system will be co-developed during the first R&D test phase with the Members with regards to enclosed aquatic growing facility located in La Coste, Texas. Upon a successful first phase of co-developing the enclosed shrimp technology, the Members will begin development of the Company's Enclosed Aquatic Technology (the "**Facility**");
  - 2.3.1 During the aforementioned first phase development, the Members will develop a comprehensive business plan, for the development, operation, construction, licensing of the Enclosed Aquatic Technology worldwide;
  - 2.3.2 Upon development of the Technology, members will use their best efforts to obtain, all necessary local, state and federal governmental permits and licenses necessary to construct and operate an R&D Facility/ Pilot Plant to market and sell aquatic species (except shrimp); and
  - 2.3.3 Ensure that management and other staff of the Facility comply with all rules, regulations, statutes and laws applicable to the business of the Facility, subject to any decisions made by the Board of Managers of the Company (the "**Board**") or the managing director of the Company (the "**Managing Director**") pursuant to their respective competencies described in Article 4 below.
- 2.4 The Members will do or provide the following:
  - 2.4.1 Members will provide certain services to the Company for a management fee of \_\_\_\_\_ month (the "**Management Fee**"). The obligation to pay the Management Fee shall commence sixty (60) days following the completion of the delivery of all Know-How (as defined in Schedule 1 attached hereto) and documentation concerning the Technology necessary to construct the Facility (the "**Technology Transfer**"), such completion to be evidenced by written notice thereof from the Company to the Members. The services covered by the Management Fee will include: staff expenses and consulting services regarding strategic planning, marketing, production and distribution of shrimp; provided, however, that in no case shall such services include any services related to the Technology Transfer or the services to be provided by the Members at the Facility as provided in Section 2.4.2; and

2.4.2 Following the completion of the Technology Transfer and during the development of any shrimp growing facility by the Company, the Members will furnish certain employees at such facility's location to provide consulting services. The Company shall pay (1) all reasonable travel and living expenses for the Members employees when engaged in such on-site consultations, and (ii) the actual prorated hourly employee cost for each Members employee assigned to the Company; and

### **3. LICENSE**

- 3.1 Members hereby grant to the Company an exclusive license to use the Technology through-out the world.
- 3.2 Members will assist the Company with developing an advertising, marketing and promotion program for expansion of the Technology.
- 3.3 The Company will pay for all government fees associated with the procurement and maintenance of the whole or any part of the Technology. The Company shall not make any representation or perform any act, which may be taken to indicate that it has any title or interest in or to the ownership or use of the Technology.
- 3.4 The Company shall at all times indemnify and keep indemnified the Members against all or any costs, claims, damages or expenses incurred by the Members or for which the Members may become liable with respect to any claim relating to the use of the Technology or the Licensed Products and supplied or put into use by the Company.
- 3.5 Following the execution of this Agreement, the Company shall have a license to use the Technology throughout the world.
- 3.6 Company shall have the right to sublicense the rights granted to it in the Technology under this Section 3 to its wholly-owned subsidiaries. Subject to Board approval, Company may also subcontract to third parties some or all of the aspects of production of the Licensed Products; provided, however, that in all such cases, no Know-How or any other confidential information of the Members shall be disclosed to such third party unless it is subject to a written confidentiality agreement with Company and the Members and in form acceptable to the Members.

### **4. MANAGEMENT OF THE COMPANY**

- 4.1 Day-to-day management will be the responsibility of the Managing Director, who shall be responsible to the Board of Directors and follow the Board's policies. The Managing Director shall be appointed by the Board.
- 4.2 The Board will consist of four Directors; two (2) who will be appointed by NSH, two (2) who will be appointed by F&T. The Directors shall perform their duties in good faith and with due skill and care. The position of Chairman of the Board will rotate among the four Directors on an annual basis. The Chairman of the Board will be permitted to vote on matters properly coming before the Board. Any tie vote that the Board is not otherwise able to resolve between themselves, will be resolved in accordance with Article 10.
- 4.3 The Managing Director shall act within the powers and duties limited by the Board.
- 4.4 Meetings of the Board shall be held at least quarterly, or else as called by a Director on reasonable notice. The quorum for the transaction of business by the Board shall be four (4) Directors, consisting of at least two (2) Directors appointed by NSH, two (2) Directors appointed by F&T..
- 4.5 Compensation of any Director shall be determined by the Directors and the compensation of the Managing Director and any other officers of the Company shall be determined by the Board.
- 4.6 No Managing Director or other officer of the Company will take any action which is (a) reserved to the Board or Members, (b) contrary to this Agreement, the Certificate of Formation or Limited Liability Company Agreement of the Company, or any other agreement governing the relationship among the Members, or (c) which would contravene law.

## 5. CAPITAL CONTRIBUTIONS

- 5.1 The members will license the Company to use the Technology and will provide, free of charge, all things necessary to complete the Technology Transfer.
- 5.2 The Company will develop a business plan for funding the capital necessary to secure and operate the initial Facility and roll-out strategy.

## 6. GENERAL MEMBERS MEETINGS

- 6.1 The Company's Certificate of Formation and Limited Liability Company Agreement shall seek to incorporate the terms of this Article 6 insofar as these terms are allowed under Texas law. If the Certificate of Incorporation or the Bylaws of the Company do not comply with the terms set forth in this Article 6 below, then the said Certificate of Formation or Limited Liability Company Agreement shall take precedent.
- 6.2 All meetings of the Members shall be held at the principal office of the Company or at such other place as may be determined by the Members and set forth in the respective notice or waivers of notice of such meeting.
- 6.3 The annual meeting of the Members of the Company for the transaction of such business for which such meeting is called or as may properly come before the meeting, shall be held at such time and date as shall be designated by the Members from time to time and stated in the notice of the meeting. Such annual meeting shall be called in the same manner as provided in this Agreement for special meetings of the Members, except that the purposes of such meeting need be enumerated in the notice of such meeting only to the extent required by law in the case of annual meetings.
- 6.4 Special meetings of the Members may be called by the Board or by the holders of not less than ten percent (10%) of all the outstanding equity interests of the Company. Business transacted at all special meetings shall be confined to the purposes stated in the notice.
- 6.5 Written or printed notice stating the place, day and hour of the meeting and the purpose or purposes for which the meeting is called, shall be delivered not less than fourteen (14), or in the case of an annual general meeting, no less than twenty-one (21) clear days before the date of the meeting, either personally or by mail, by or at the direction of the Members or person calling the meeting, to each Member of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered forty-eight (48) hours after it was deposited in the mail to the Member at his address as it appears on the transfer record of the Company, with postage prepaid.
- 6.6 A Majority in Interest of the Members shall constitute a quorum at all meetings of the Members, except as otherwise provided by law or the Certificate of Formation or Limited Liability Company Agreement of the Company. Once a quorum is present at the meeting of the Members, the subsequent withdrawal from the meeting of any Member prior to adjournment or the refusal of any Member to vote shall not affect the presence of a quorum at the meeting. If during a meeting such quorum ceases to be present, the meeting shall stand adjourned until the same day in the next week at the same time and place or until such time and place as the Board may determine. At any meeting of the Members at which a quorum is present, the vote of the holders of a Majority in Interest of all the Members shall be the act of the Members, unless the vote of a greater number is required by law, the Certificate of Formation or Limited Liability Company Agreement of the Company, or this Agreement. For the purposes of this Agreement, "**Majority in Interest**" shall mean such Members who, in the aggregate, own more than fifty percent (50%) of all of the outstanding equity interests of the Company.
- 6.7 The Board shall make, at least ten (10) days before each meeting of the Members, a complete list of the Members entitled to vote at such meeting, or any adjournment of such meeting, arranged in alphabetical order, with the address of and the percentage of equity ownership of the Company held by each, which list, for a period of ten (10) days prior to such meeting, shall be kept on file at the registered office of the Company and shall be subject to inspection by any Member at any time during usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to inspection of any Member during the whole time of the meeting. However, failure to comply with the requirements of this Section shall not affect the validity of any action taken at such meeting.
- 6.8 The Company shall, be entitled to treat the holder of record of any equity interest in the Company as the holder in fact of such equity interest for all purposes, and accordingly shall not be bound to recognize any equitable or other claim to or interest in such equity interest on the part of any other person, whether or not it shall have express or other notice of such claim or interest, except as expressly provided by this Agreement or Texas law.
- 6.9 Notwithstanding any provision contained in this Article 6, all actions of the Members provided for herein may be taken by written consent without a meeting, or any meeting thereof may be held by means of a conference telephone call. Any such action which may be taken by the Members without a meeting shall be effective only if the written consent or consents are in writing, set forth the action so taken, and are signed by the holder or holders of equity interests of the Company constituting not less than the minimum amount of equity interests that would be necessary to take such action at a meeting at which the holders of all equity interests in the Company entitled to vote on the action were present and voted. Prompt notice of the taking of any action by the Members without a meeting by less than unanimous written consent shall be given to those Members who did not consent in writing to the action.

6.10 It is agreed that the corporate actions listed below require the approval of such Members who, in the aggregate, own more than seventy-five percent (75%) of all the outstanding equity interests of the Company, and that no resolution of any of the material issues below shall have any effect unless passed at a duly constituted general meeting of Members:

- 6.10.1 any decision to list the Company's shares on a public stock exchange;
- 6.10.2 the dissolution of the Company or the placing of the Company in voluntary liquidation;
- 6.10.3 the approval of the Company's annual budget and annual audited financial statements;
- 6.10.4 the amendment of this Agreement, Company's Certificate of Formation or Limited Liability Company Agreement, or authorization to engage in any business other than that previously unanimously agreed to by the Members;
- 6.10.5 the acquisition or disposition of any material portion of the Company's assets;
- 6.10.6 the issuance or repurchase of shares in the Company;
- 6.10.7 any dividend or distribution by the Company;
- 6.10.8 transactions with any Member or their respective affiliates;
- 6.10.9 any merger, consolidation, liquidation or any other extraordinary corporate transaction;
- 6.10.10 settlement of material litigation in excess of the amount agreed by the Members;
- 6.10.11 change of auditors or accounting practices; and
- 6.10.12 any (i) capital expenditures, (ii) loans or other borrowings, (iii) mortgages or other encumbrances of assets, or acquisitions or (iv) leases of real property.

## **7. MEMBERS & DISTRIBUTION POLICY**

- 7.1 NSH will own 50% of the Company, and share in the profits and losses of the Company in that percentage.
- 7.2 F&T will own 50% of the Company, and share in the profits and losses of the Company in that percentage.
- 7.3 25% of Cash Flow (hereinafter defined) shall be used as a reserve for the reasonable needs of the Company, including, without limitation, working capital, capital expenditures and new investments, unless otherwise determined by a Majority in Interest.
- 7.4 The remaining Cash Flow will be distributed to the Members as and when agreed by the Board on an annual basis (after relevant debt service obligations have been met) but no distribution will:
  - 7.4.1 occur where to do so would contravene law;
  - 7.4.2 occur where to do so would place the Company in a position that it would not be able to pay its debts as they become due in the normal course of business;  
or
  - 7.4.3 occur where to do so would allow the Company's total assets to be less than its total liabilities.

- 7.4.4 For the purposes of this Agreement, “**Cash Flow**” shall mean, for each quarter, any net cash available to the Company from actual revenues minus (i) the operating and other expenses of the Company, (ii) any applicable state, local and federal taxes payable by the Company, (iii) capital expenditures or leasehold improvements with respect to the Facility, and (iv) any payment of debts of the Company (other than those due under the Loan Agreement).
- 7.5 The Company shall make distributions of Cash Flow to the extent available at least once a year within a reasonable time after the end of each fiscal year of the Company pro rata in accordance with the equity interests of the Company held by each Member.
- 7.6 Distributions to the Members of Cash Flow, and the timing of payment of such distributions, shall be sufficient to cover the Members’ respective tax liabilities on the respective share of the Company’s profits which are allocated to them.
- 7.7 The Company shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitral or investigative, any appeal in such an action, suit or proceeding and any inquiry or investigation that could lead to such an action, suit or proceeding (whether or not by or in the right of the Company), by reason of the fact that he or she is or was a Member, manager, officer, or employee of the Company or is or was serving at the request of the Company as a manager, officer, or employee, against all judgments, penalties (including excise and similar taxes), fines, settlements and reasonable expenses (including attorneys’ fees and court costs) actually and reasonably incurred by him or her in connection with such action, suit or proceeding to the fullest extent permitted by any applicable law, and such indemnity shall inure to the benefit of the heirs, executors and administrators of any such person so indemnified pursuant to this Section 7.7. The right to indemnification under this Section 7.7 shall be a contract right and shall not be deemed exclusive of any other right to which those seeking indemnification may be entitled under the Company’s organizational documents or any law, agreement, vote of Members or disinterested managers or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office.
- 7.8 There is no indemnification of any member of the Board/Members for actions that were taken contrary to the Company’s organizational documents, actions that were fraudulent or constituted gross negligence or which were knowingly taken in violation of law or which related to receipt of a financial benefit to which there was no entitlement.
- 7.9 The Members may assert claims against each other for breach of obligations.

## **8. TRANSFER OF INTERESTS**

- 8.1 Equity interests of the Company may not be transferred, pledged or hypothecated except in accordance with the transfer provisions of this Agreement. Notwithstanding the foregoing, in no case shall a transfer be permitted if:
- 8.1.1 the effect of such transfer would be to terminate this Agreement;
  - 8.1.2 the transfer is to a competitor of the Company; or
  - 8.1.3 the transfer would violate any law, or trigger registration requirements under securities laws.
- 8.2 Transfers to an Affiliate are permitted provided such Affiliate agrees to be bound by same agreements as the Members to this Agreement, and provided advance written notice of such transfer is given to the Members. For the purposes of this Agreement, the term “*Affiliate*” shall mean any other person who, directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with, the specified person.
- 8.3 Permitted transfers shall not excuse the Members from the requirement to make capital contributions as required hereby.
- 8.4 If any Member should desire to sell all or any part of its equity interest in the Company to any party, the other Members shall have the first right and option to purchase, in proportion to their respective equity interests, the equity interests desired to be sold by the selling Member, such option to be upon the same terms and conditions as the selling Member is willing to accept from the prospective purchaser (and the Members hereby agree that if a Member shall agree to any sale other than for cash, the non-selling Members shall have the right to purchase the equity interests desired to be sold by the selling Member for the Fair Market Value of such non-cash consideration).
- 8.4.1 The terms and conditions upon which any selling Member desires to sell all or any part of its interest hereunder shall be set out in a written offer signed by the prospective purchaser or purchasers. The selling Member shall thereafter deliver to each of the other Members a fully executed counterpart of the contract relating to the contemplated sale.

- 8.4.2 The other Members shall have fifteen (15) days from the date of receipt of the executed copies of said contract within which to advise in writing the Member contemplating such sale of their desire to purchase all or some portion of the interest which is the subject of such contemplated sale. Failure of any Member to advise in writing the selling Member of such Member's desire to purchase its proportionate part of such equity interests within such fifteen (15) day period shall be deemed conclusively a rejection of such right to purchase.
- 8.4.3 Should any Member elect not to purchase its proportionate part of the interest which is the subject of the contemplated sale, the selling Member shall promptly so notify the other Members that did elect to purchase their proportionate part and such other Members shall have the right to purchase such part in proportion to their equity interests, by giving the selling Member written notice thereof within the fifteen (15) day period following receipt of said notice. Likewise, the failure of any such Member to advise the selling Member in writing of its desire to purchase its proportionate part of all of such additionally available equity interests in the manner and within the time permitted shall be conclusively deemed a rejection of such right to purchase.
- 8.4.4 If the non-selling Members desire to exercise their preferential right and option to purchase and so notify the selling Member ("**Exercise Notice**"), such Members shall close the purchase of such equity interests prior to the expiration of sixty (60) days after such election, payment for such interest being in accordance with the terms and provisions of the third-party offer; provided, however, that if the consideration provided for in such third-party offer was non-cash consideration, the non-selling Members shall be able to purchase such equity interests for the Fair Market Value of the non-cash consideration contained in the third-party offer.
- 8.4.5 This preferential right to purchase shall be of no force and effect unless the other Members shall offer to purchase the entire interest offered for sale by the selling Member.
- 8.4.6 For the purposes of this Agreement, "**Fair Market Value**" shall mean the value at which the Members mutually agree upon, or in the absence of such agreement within fifteen (15) days of the receipt of the Exercise Notice, then the Members shall by mutual agreement name a competent, independent appraiser familiar with the appraisal of similar closely held businesses to conduct an appraisal of the equity interests to be purchased. The Fair Market Value of such equity interests shall be determined by the appraiser within forty-five (45) days of the Exercise Date. The appraiser shall be instructed not to apply a discount to equity interests with a minority (i.e., non-controlling) interest nor to apply a premium to equity interests with a controlling interest in determining the Fair Market Value of the equity interests to be purchased. If the Members are unable to agree on an appraiser within fifteen (15) days of the expiration of the fifteen (15) day period referred to in this Section 8.4.6, the Members shall each choose a qualified appraiser and these appraisers, as a group and by majority vote, shall select one independent qualified appraiser to determine the Fair Market Value of the equity interests to be purchased in accordance with the immediately preceding paragraph. In all cases under this Agreement, the cost of any appraisals obtained for purposes of determining Fair Market Value shall be paid by the Company.

## **9. CERTIFICATE OF FORMATION OF A LEGAL ENTITY AGREEMENT**

- 9.1 In case of any conflict between the provisions of this Agreement and the Certificate of Formation of a Legal Entity, the Members shall cause necessary alterations to be made to the Certificate of Formation as required in order to remove any conflict, unless the provisions of this Agreement explicitly state that the Certificate of Formation take precedent.

## **10. CONFLICTS, GOVERNING LAW IN CASE OF DISPUTES**

- 10.1 In the event of any controversy or claim arising out of or relating to this Agreement, the Members shall consult and negotiate with each other and, recognizing their mutual interests, attempt to reach a solution satisfactory to both parties. If settlement is not reached within sixty (60) days after service of a written demand for mediation and if the parties mutually consent, any unresolved controversy or claim arising out of or relating to this Agreement shall be settled by arbitration in accordance with American Arbitration Association. The place of arbitration or mediation pursuant to this Section 10.1 shall be Waco, Texas. The language of the arbitration shall be English.
- 10.2 This Agreement will be governed by and construed in accordance with the laws of the State of Texas, USA, without giving effect to any choice of law principles.

## **11. MISCELLANEOUS**

- 11.1 This Agreement shall apply to all issued equity interests in the Company. Further, any or all possible future buyers of shares, no matter way of purchase, shall be made a party to this Agreement in the capacity of "**Member**."
- 11.2 This Agreement constitutes the entire understanding between the parties with respect to the Company, and supersedes all prior agreements, negotiations and discussions between the parties relating to it.

- 11.3 For the purposes of interpreting this Agreement, the term “person” includes a corporate or unincorporated body. Words in the singular include the plural and in the plural include the singular. A reference to one gender includes a reference to the other gender. The terms “in writing” or “written” include faxes but not e-mail.
- 11.4 Except as expressly provided in this Agreement, no amendment or variation of this agreement shall be effective unless in writing and signed by a duly authorized representative of each of the parties to it
- 11.5 The parties declare that they each have the right, power and authority and have taken all action necessary to execute and deliver and to exercise their rights and perform their obligations under this Agreement.

## **12. DISSOLUTION**

- 12.1 The Company shall be dissolved if there is written consent of all Members; or any court decree is issued or law is enacted that would prevent the Company from meeting its purpose.
- 12.2 A Member who attempts or causes dissolution outside of above events shall be liable to the Company and the other Members. Upon dissolution, assets of the Company are to be sold and proceeds to be applied to (a) expenses of dissolution, (b) payment of liabilities/debts of the Company, (c) to reserves for contingent/unforeseen liabilities of the Company and (d) to Members in accordance with equity interest.

## **13. AUDITS AND FINANCIAL REPORTING**

- 13.1 The Board will cause the Company to keep complete and accurate records and books of account in accordance with the Company’s accounting policies and United States generally accepted accounting principles (“*GAAP*”), or such other accounting principles which may be required according to local law from time to time, consistently applied. Members (and their duly authorized representatives) will have access to records and books during regular working hours upon reasonable prior notice.
- 13.2 Monthly, quarterly and annual financial statements for the Company will be produced and supplied to the Board and the Members.
- 13.3 Annual statements will be audited promptly and supplied in audited form to the Board and the Members.
- 13.4 Members shall have full access to all information concerning the Company.

## **14. NON-COMPETE AND CONFIDENTIALITY**

- 14.1 The Company will be sole vehicle through which the Members engage in the Company’s agreed purpose.
- 14.2 The Members will keep Company matters confidential but may disclose information/documentation regarding the Company to advisers, affiliates and employees of affiliates, and as necessary and approved by the Members to the Company’s customers.

## **15. ACCOUNTING**

- 15.1 The Company will operate on an accrual basis for tax and financial accounting purposes consistent with GAAP, or such other accounting principles which may be required according to local law from time to time
- 15.2 The Company’s fiscal year end will be December 31.

## **16. VALIDITY**

- 16.1 This Agreement shall be valid from the date it is signed and shall remain valid and in full force until this Agreement is explicitly terminated. Such termination requires unanimity from the Members.

*[Signature Page Follows]*

***[Signature Page to Members Agreement]***

In witness whereof, the parties hereto have duly executed and signed this Agreement, in 2 originals, in \_\_\_\_\_, on the date first written above.

**F&T WATER SOLUTIONS, LLC**

By: /s/  
Peter Letizia, President

**NATURALSHRIMP HOLDINGS, INC.**

By: /s/  
Gerald Easterling, President

**Natural Aquatic Systems, LLC**

By: /s/  
[Insert name of authorized officer], [insert title]

## **Schedule 1**

### *The Technology*

**TECHNOLOGY** shall mean any and all inventions and intellectual property of the Members used in aquaculture and self-contained eco-systems for the growing and marketing of aquatic species (*other than Shrimp*), and software designed to monitor and control such eco-systems, and shall include but shall not be limited to all IMPROVEMENTS, KNOW-HOW, LICENSED PATENTS and LICENSED PRODUCTS as defined below.

**IMPROVEMENTS** shall mean improvements and enhancements to the Technology, whether or not patentable, which during the term of this Agreement are made, conceived or acquired by either party or to which either party obtains rights which it can provide to the other without obligation to third parties, including changes made for the purpose of improving the operation, efficiency, marketing or deployment of the Licensed Product.

**KNOW-HOW** shall mean the engineering, design, and operational techniques possessed by the Members relating to the specifications (including specifications for the ingredients needed for the growing of aquatic species), design, construction, and operational performance of the Technology, which are applicable within the field of aquaculture and self-contained eco-systems for the growing and marketing of aquatic species. The Know-How shall specifically include, but not be limited to Facility Construction Manuals, Facility Operational Manuals, and any local, state or federal governmental licenses or permits held, or hereinafter acquired, by the Members in the United States regarding the Technology and all information supplied by the Members to such governmental authority in obtaining such license or permit. Know-How shall also include any information obtained by the Members or the Company through advisory boards concerning the specifications, design, construction, and operational performance of the Technology. A Configuration & Document Management System will be used to support a cost effective and controlled evolution of the Know-How. All manuals and all other documents being part of the Know-How, must be created, maintained and revised according to such system. Know-How shall also mean any publicity material developed by the Members concerning the marketing, sale and/or distribution of the Licensed Products.

**LICENSED PATENTS** means now existing or hereafter acquired patents and patent rights which relate to inventions in, or applicable to aquaculture and self-contained eco-systems for the growing and marketing of aquatic species, and which are owned, acquired or controlled by the Members during the term of this Agreement.

**LICENSED PRODUCT** shall mean any and all products which employ or are produced using the Technology or any and all products that are used to create self-contained eco-systems for the growing of aquatic species (*except enclosed recirculating shrimp system*) and software designed to monitor and control such eco-systems.