

Grazing Lease

THE STATE OF TEXAS

KNOW ALL MEN BY THESE PRESENTS

COUNTY OF SCHLEICHER

THIS GRAZING LEASE is made this the 26 day of August in the year of 2024 between Schleicher Ranches POA its representatives, successors and assigns, P.O. Box 995, Eldorado Texas 78636 (hereafter called "Lessors") and Koerth Cattle Company, 8501 W. Hwy 84, Gatesville, TX 76528 (hereafter called "Lessee")

WITNESSETH

1. Purpose: This lease shall be for the purpose of grazing cattle. Any other use of the property by Lessee must be approved in advance by Lessors.
2. Property Description: This lease shall be for all certain lands described below: ranches of Freedom, Brandon, Liberty and North Valley Prong. See Attached Survey
3. Primary term: This lease is for a primary term of 1 year beginning the 1 day of October in the year of 2024.
4. Consideration: As consideration for this Lease, Lessee agrees to the following: Lessee to maintain all water wells, water lines, and fences on the ranch properties.
5. Stocking Rate: Lessee agrees to stock the lease premises with between 100-125 animal units with the option of increasing the number of animal units to greater than the industry standard for commercial livestock of operations in Schleicher country pending approval from the POA board. Lessee also agrees to use good grazing management practices, including a rotation grazing system on the lease.
6. Lessor's Reservations: Lessors hereby reserve:
 - a. Hunting Rights: Lessors reserve for personal use, all the hunting privileges associated with the property.
 - b. Access to the Property: Lessors reserve for himself and his members the right to go upon the property at all times.
 - c. Use of the Property: Lessor reserves the right to use the property for any purpose, other than grazing livestock, which Lessors may desire, so long as such does not materially interfere with the Lessee's rights hereunder.
7. Right to terminate: Lessors or Lessee may terminate this agreement at any time by written notice 60 days prior to termination. Any individual tract owner at any time will have the right to cancel the least on part or all his property by constructing fencing that meets local standards and specifications for fencing in Schleicher Country and then giving Lessee thirty (30) days advance written notice that the owner wishes to withdraw his property from the lease.
8. Lessee's Indemnity: Lessee does hereby hold harmless Lessors from and against any and all liability whatsoever arising out of, resulting from or in connection with Lessee's activities upon the property., whether property damage or personal injury, Property Owners shall be

held personally liable for any injury or death to Lessee's livestock that can be proven to be directly attributable to said property owner's actions.

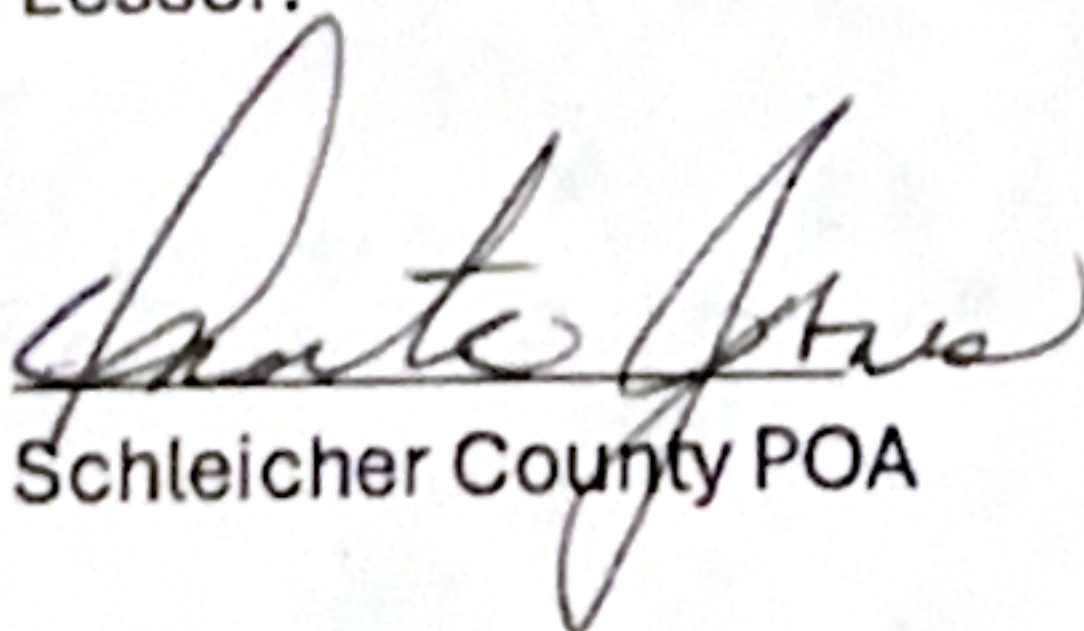
9. No Partnership: this lease shall not be deemed to give rise to a partnership relation b/w Lessors and Lessee and neither Lessors nor Lessee shall have the right or authority to obligate the other for any debts incurred in connection with the activities of Lessors or Lessee, respectively, upon the property. Further Lessee covenants and agrees not to permit any person to file a lien upon the property in connection with the activities of the Lessee on the property.
10. Enforceability: This lease shall be binding upon Lessors and Lessee, and their respective legal representatives, successors and assigns. This lease shall be governed and construed in accordance with the laws of the State of Texas and the obligation of the parties hereto are and shall be performable in San Angelo, Texas.
11. No Representations: Lessee acknowledges that Lessors has made no representation or warranties, written or verbal, express or implied, with respect to the condition of the property, of the adequacy of the property for livestock grazing activities.
12. Attorney's Fees: In the event of any dispute concerning this lease, the prevailing party in any litigation shall be entitled to recover in addition to any other relief, such party's attorney's fees and costs incurred.

To secure loans from lenders, purchasers of tracts will be required to allow lenders to place a lien on the property, which is a portion of the premises described in the lease. Tenant is in possession of all or part of the premises. As a condition for closing the loans, advancing the funds, and accepting the notes and deeds of trust from purchasers, lenders will require that Tenant make the following agreements and warranties.

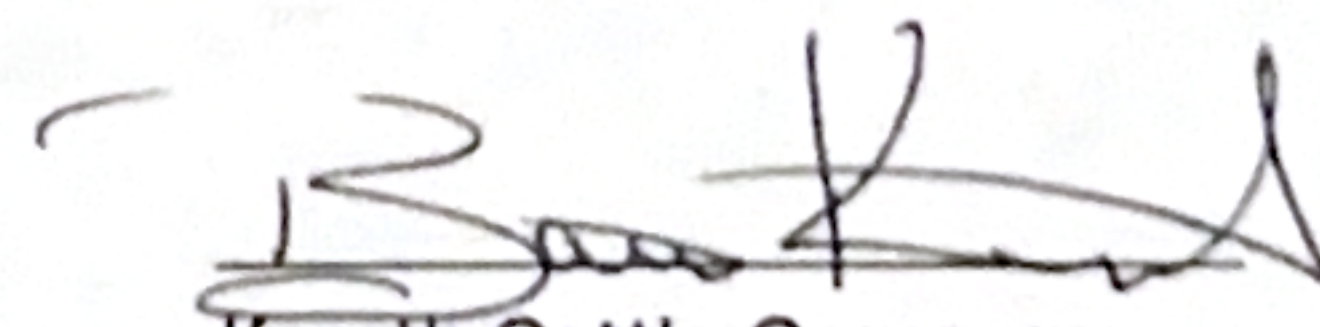
In return for valuable consideration, Tenant (1) subordinates the lease and all of Tenant's rights under it to any deed of trust lien, (2) agrees that any deed of trust lien will remain superior to the Lease and all of Tenant's rights under it, regardless of the frequency and manner of renewal, extension, or alteration of the notes and liens securing it, and (3) warrants the rent specified in the lease is being paid to landlord.

IN WITNESS WHEREOF, Lessors and Lessee have executed this lease effective as of the 26 day of August in the year of 2024

Lessor:


Schleicher County POA

Lessee:


Koerth Cattle Company

PRESENTED BY SCHLEICHER COUNTY POA:

SCHLEICHER POA BOARD PRESIDENT SIGNATURE

