

PROPOSAL FROM GOLDSMITH CATTLE COMPANY, LLC FOR UPSHUR COUNTY SCHOOL LAND

Goldsmith Cattle Company has been in business for over 15 years with family in the ranching business going back to the 1800's. Goldsmith Cattle became an LLC in the January of 2016.

Goldsmith Cattle is excited to bid on the lease for the Upshur County School Lands. We maintain a high value in good stewardship of land that we lease and own. Our goals are always to improve infrastructure, hunting, and grasses.

Goldsmith Cattle believes in using our local NRCS offices as another source of help to improve properties. Through NRCS we have been able to excel improvements on land. We currently have multiple brush, cactus and cross fence contracts going in other counties. Goldsmith Cattle has a skid steer, dozer, excavator, and other equipment available for improvements to help control the cost of these improvements.

Goldsmith Cattle has a sister company that is separate from the cattle company which is called Goldsmith Fencing, LLC. They specialize in farm and ranch improvements. We feel that this is an asset to improving properties due to having access to labor and materials for competitive prices while having that source on demand.

Goldsmith Cattle is proposing the sum of \$17.25 per acres for a total lease payment of \$305,532. To also ensure Upshur County, we are proposing to pay forward ½ years lease to go toward the last and final year of lease. In addition to the lease payment, we are proposing annually to spend an additional \$3.25 per acre (\$57,564) in improvements or more.

Goldsmith Cattle has also included an Irrevocable Letter of credit for the amount of 1 years lease (\$305,532.00). Included in this proposal is a current copy of insurance through Farm Bureau.

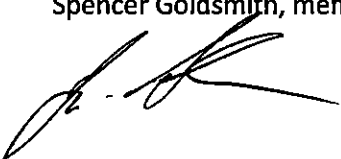
Goldsmith Cattle has some negotiations and research starting on carbon credit leasing. This is where a third-party monitors the soils on the property to increase the carbon absorbed by that soil. In return, there are payments for this per acre or per 5-year period. This practice is very new to Texas and is becoming an income for ranchers and land owners. This could be an opportunity to increase revenue for Upshur County with minimum changes needed. (Refer to lease agreement)

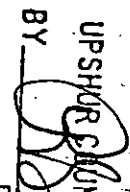
In the first week of this lease, Goldsmith Cattle would make a list to prepare for improvements for land. Immediate funding from NRCS would not be available unless previous contracts are in place. With that being the case, during year one the projects which will never have funding available would be our priority. These types of improvements would be exterior fences, cattle pens, and other infrastructure. We would start the planning for years 2-5 immediately to try get as much assistance as possible to excel this property.

We look forward to this opportunity with Upshur County and the officials of the county. Please consider this proposal by Goldsmith Cattle Company. For any questions or further contact please contact Spencer Goldsmith @ 325-668-1120 or by email at spencergoldsmith@gmail.com

Thank You,

Spencer Goldsmith, member



FILED
TERRI ROSS
COUNTY CLERK
2022 MAR 31 PM 3:27
BY  UP SHUR COUNTY, TX.
DEPUTY



TEXAS FARM BUREAU INSURANCE COMPANIES

TEXAS FARM BUREAU CASUALTY INSURANCE COMPANY FARM BUREAU COUNTY MUTUAL INSURANCE COMPANY OF TEXAS
 TEXAS FARM BUREAU MUTUAL INSURANCE COMPANY SOUTHERN FARM BUREAU LIFE INSURANCE COMPANY
 TEXAS FARM BUREAU UNDERWRITERS

POLICY NUMBER
514768
IMPORTANT NOTICE

Date: 03-10-2022

7420 FISH POND RD • WACO TX 76710-1010 • (254) 772-3030 • MAILING ADDRESS: PO BOX 2689 • WACO TX 76702-2689

CERTIFICATE OF INSURANCE FOR INFORMATION PURPOSES ONLY

CERTIFICATE HOLDER NAME AND MAILING ADDRESS **POLICY PERIOD** FROM 04-07-2022
TO 04-07-2023



This is to certify that the policy (including endorsements) of insurance, as described below, has been issued by the undersigned, to the Insured named below and is in force at this time. If cancelled at the request of either party, or changed in any manner for any reason during the period of coverage, as stated herein, so as to affect this Certificate, 10 days prior written notice will be given by this Insurance company to the Certificate Holder named above.

The TEXAS FARM BUREAU CASUALTY INSURANCE COMPANY of Waco, Texas hereby certifies that the following described policy has been issued and is in force and effect.

INSURED NAME AND MAILING ADDRESS

DESCRIPTION OF RISK

GOLDSMITH CATTLE
COMPANY LLC
7955 US HIGHWAY 283 S
BAIRD TX 79504-4649

FARMING

COVERAGE	LIMITS OF LIABILITY	
PUBLIC LIABILITY	BODILY INJURY/PROPERTY DAMAGE	
() Commercial General Liability	\$	EACH OCCURRENCE
() Premises and Operations	\$	AGGREGATE
() Contractors Protective		
() Products - Completed Operations		
() Contractual - Designated Contracts Only		
() Excludes Explosion, Collapse and Underground Property Damage Hazard		
AUTOMOBILE LIABILITY		
() Fleet	\$	
() Specific Automobiles Only	\$	
() Non-Ownership and Hired Automobiles	\$	
FARM LIABILITY	\$ 1,000,000	EACH OCCURRENCE
	\$ 1,000,000	AGGREGATE
PERSONAL LIABILITY		
() Homeowners	\$	EACH OCCURRENCE
() Farm and Ranch Owners	\$	EACH OCCURRENCE
UMBRELLA LIABILITY	\$	EACH OCCURRENCE
	\$	AGGREGATE

This Certificate of Insurance neither affirmatively nor negatively amends, extends, or alters the coverage or any provision afforded by the policy. This Certificate is executed and issued in duplicate by the aforesaid Company.

90718 2012 IFDC001 - P000019



**TEXAS
FARM
BUREAU
INSURANCE®**
AUTO / HOME / LIFE

TEXAS FARM BUREAU CASUALTY INSURANCE COMPANY
PO BOX 2689 • WACO TX 76702-2689

POLICY NUMBER
514768

FARM LIABILITY COVERAGE FORM DECLARATION

INSURED **GOLDSMITH CATTLE
COMPANY LLC
7955 US HIGHWAY 283 S
BAIRD TX 795044649**

**POLICY PERIOD
FROM 04/07/22 TO 04/07/23**

12:01 A.M. Standard Time

AT YOUR MAILING
ADDRESS SHOWN.

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

FORM OF BUSINESS: LIMITED LIABILITY COMPANY

DESCRIPTION OF PREMISES (SEE ATTACHED SCHEDULE)

COVERAGES PROVIDED	LIMITS OF INSURANCE
COVERAGE H - BODILY INJURY AND PROPERTY DAMAGE LIABILITY	\$ 1,000,000
COVERAGE I - PERSONAL AND ADVERTISING INJURY LIABILITY	GENERAL AGGREGATE LIMIT
COVERAGE J - MEDICAL PAYMENTS	\$ 1,000,000
COVERAGE H - BODILY INJURY AND PROPERTY DAMAGE LIABILITY	EACH "OCCURRENCE" LIMIT
COVERAGE J - MEDICAL PAYMENTS	\$ 1,000,000
COVERAGE I - PERSONAL AND ADVERTISING INJURY LIABILITY	\$ 1,000,000
COVERAGE H - BODILY INJURY AND PROPERTY DAMAGE LIABILITY	\$ 50,000
FIRE DAMAGE LIMIT ANY ONE FIRE	\$ 50,000
COVERAGE J - MEDICAL PAYMENTS	ANY ONE PERSON LIMIT \$ 5,000
ADDITIONAL COVERAGE B. - DAMAGE TO PROPERTY OF OTHERS	\$ 500

		POLICY PREMIUMS
PREMIUM FOR SCHEDULED PREMISES		\$ 655
FARM EMPLOYERS LIABILITY AND FARM EMPLOYEES MEDICAL PAYMENT INSURANCE		
(B) 1 NUMBER OF FULL TIME "FARM EMPLOYEES" WORKING 180 DAYS PER YEAR OR MORE:	\$ 287	
10 NUMBER OF PART TIME "FARM EMPLOYEES" WORKING OVER 40 DAYS PER YEAR:	\$ 16	
CUSTOM FARMING		

RECEIPTS FROM "FARMING" OPERATIONS PERFORMED BY THE "INSURED," IF GREATER THAN \$2,000.	\$
RECEIPTS FROM RECREATIONAL LAND USE IF GREATER THAN \$15,000.	\$ 16,500
NUMBER OF "RESIDENCE EMPLOYEES" IN EXCESS OF TWO:	\$
OTHER ENDORSEMENT PREMIUM	\$ 100
TOTAL PREMIUM	\$ 1,078

PREMIUM SHOWN IS PAYABLE: ON OR BEFORE EFFECTIVE DATE OF POLICY

FORMS APPLICABLE (SHOW NUMBERS.)

FL00200187 FL99011104 TFB741 TFB742 TFB744 TFB746
FL04650187 FL04500187 FL8430121 PREM DISC

5 02-22-2007 (FDGLCT)

**LEASE OF UPSHUR COUNTY SCHOOL LAND IN THROCKMORTON & BAYLOR
COUNTIES, TEXAS**

THIS GRAZING LEASE (this "Lease") is entered into on _____, 2022, by and through the Honorable _____, County Judge Upshur County, Texas, pursuant to Article 7, Section 6 of the Texas Constitution ("Lessor"), and Goldsmith Cattle Company, LLC, a Texas Limited Liability Company. ("Lessee").

WITNESSETH, in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

1. **DESCRIPTION OF LAND.** Lessor rents and leases to Lessee the real estate (the "Leased Premises") located in the Counties of Throckmorton and Baylor Counties, State of Texas, consisting of two tracts of 8,856, more or less, which is legally described in Exhibit A, made a part hereof and attached hereto, save and except Lessor reserves to itself all of the oil, gas, and other minerals in, under and that may be produced from Leased Premises. This lease is expressly made subject to all existing and future valid mineral leases and associated pipeline easements and the rights of said pipeline companies and owners of mineral leases, and the right of Lessor, and any of its officers or agents, to enter upon Leased Premises to explore, develop, produce, and remove minerals, or for any other purposes incident thereto. Lessor shall be directly compensated by any oil, gas, or mineral lessees for surface damages caused, either directly or indirectly, by operations of any oil, gas, or mineral lessee and/or the installation, maintenance or use of associated pipeline or access easements on the Leased Premises; provided, however, notwithstanding the foregoing (1) Lessee is not obligated to allow the surface water for oil, gas, or mineral operations and if Lessee does allow such use, then Lessee may charge a reasonable sum for the use of the surface water, such reasonableness to be determined by the Commissioner Court of Upshur County, Texas and (2) Lessee, not Lessor, shall be entitled to all surface damages for damage to growing crops, native grass, and livestock. Further, it is acknowledged by Lessor that surface operations under any lease of hard minerals will damage Lessee's leasehold interest under this lease as the result of any mining or removal of dirt, sand, gravel, coal, lignite, or any other hard mineral by any hard mineral lessee, therefor, any mineral lease entered into by Lessor (other than a lease of oil, gas, or other hydrocarbons capable of being produced through a wellbore) shall be subject to the prior written approval of Lessee as to the surface use provisions thereof and payment of damages thereunder to Lessee for the damage to Lessee's leasehold interest, such approval by Lessee not to be unreasonably withheld, conditioned, or delayed.

Ingress and egress to and from the Leased Premises shall be off of State Highway 183/283 over and across an existing ranch road (the "Travis County Easement") pursuant to an irrevocable license or perpetual easement granted to Lessor and its tenants, and their respective invitees and assigns, by Travis County, Texas over and across an existing ranch road that is on certain property (the "Travis County Property") owned by Travis County. The Travis County Property is located between the Leased Premises and State Highway 183/283. For the term of this lease, Lessee assumes and agrees to comply with any maintenance obligations of Lessor under the Travis County Easement. Except as stated above, any provisions for access are the

sole responsibility of Lessee, who agrees to hold Lessor harmless for any other access to the Leased Premises.

2. TERM. The term of this Lease shall be for a period of five (5) years beginning on the 1st day of June 2022 and ending on the 31st day of May 2027. Lessor and Lessee may, by mutual agreement, extend this lease for a period of five (5) years; provided, however, if Lessor and Lessee choose to so extend this lease, Lessor may increase the rental set out herein in an amount not to exceed twenty percent (20%).

3. RANGE MANAGEMENT. Lessee shall use the Leased Premises for grazing, farming, and hunting purposes during the term of this lease in accordance with prudent range management practices.

4. LAND IMPROVEMENTS. Lessee agrees to make land improvements to improve the Leased Premises during the term of this lease, at a minimum cost of \$ 3.25 per acre annum (hereinafter referred to as the "Land Improvements"). Land improvements will include but not limited to fencing repair, brush control, water impoundments, and other improvements deemed necessary by the Upshur County Commissioners Court during the term of the lease. Said improvements further include, fencing repair, roads, soil erosion, brush control, water impoundments. Any permanent improvements which are made upon the Leased Premises during the term of this lease belong to Lessor.

5. RENT. Lessee agrees to pay to Lessor without demand, setoff, recoupment, or deduction, at Lessor's address for notices, or to such other person or to such other place as directed from time to time by written notice to Lessee from Lessor, rent as follows: The total rental payment for this Lease shall be \$ 17.25 acre in annual installments of \$ 305,532.00 each, the first installment due on or before June 1, 2022, and the remaining installments shall each be due on or before the 1st day of June each year of the term of this lease. Further, Lessee shall pay on June 1, 2022, the sum of \$ 152,766.00, which represents a pre-payment of one-half of the final lease year payment. The remaining annual installments shall each be due on or before the 1st day of June each year of the term of this lease.

Lessee agrees that the rental payments are non-refundable unless the Lease is terminated (as to all or any portion of the Leased Premises) due to no fault of the Lessee. If this Agreement terminates (as to all or any portion of the Leased Premises) at no fault of Lessee, Lessee shall be entitled to a refund of an equitably prorated portion of the rent paid for the year of termination based on the number of days from the date of termination to the end of the then current Lease year, and, if this Lease is terminated as to a portion of the Leased Premises only, based also on the number of acres in the terminated portion compared to the number of acres in the remainder.

Any payment of rent or any other sum due hereunder to Lessor that is not received by Lessor on or before the date it is due shall be delinquent and Lessee shall thereupon be in material default of this Lease. If any such payment is not made on or before five (5) days following the date it is due, Lessee shall pay Lessor (a) as an administrative charge for such default a sum equal to ten percent (10%) of the amount of any payment that is delinquent, and (ii) interest at the rate of the lesser of (a) eighteen percent (18%) per annum, or (ii) the maximum lawful rate, on the amount of such payment that remains delinquent after the above

mentioned fifth (5th) day following the due date of such payment. Said administrative and delinquency charges shall be considered as additional rent, and unless and until paid, shall be added to the amount of the unpaid rent due hereunder. Notice of payment delinquency by Lessor to Lessee shall in no event be required. . If Lessee pays any installment of rent or any other sum by check and such check is returned for insufficient funds or other reason not the fault of Lessor, then Lessee shall pay to Lessor on demand, in addition to the other charges payable under this Section, a processing fee of thirty-five (\$35.00) per returned check.

Lessee agrees to provide Lessor with an irrevocable letter of credit in an amount equal to the yearly rental payment as provided in this section of this lease. The irrevocable line of credit will be made payable to Lessor in the entire yearly rental payment amount. If Lessor must draw on Lessee's letter of credit, then Lessor, at its option, may either terminate this lease or require Lessee to establish an additional irrevocable letter of credit so that the total payment amount under Lessee's letter of credit is always equal to the yearly rental payment required under this section.

6. CARBON CREDITS. Lessee shall have the sole discretion to negotiate and execute a grassroots soil carbon storage agreement for the Property. Lessee agrees to share with Lessor 50% of any carbon storage credit or carbon certificate, Lessee receives for carbon storage on the Leased Premises, less any measurement, legal, commission, and certification costs.

7. RIGHT OF ENTRY AND INSPECTION. If Lessor so directs Lessee in writing, Lessee shall provide an independent monitor to (the "Monitor") to oversee improvements and Lessee use of the Leased Premises.. Lessor, by and through any member of the Upshur County Commissioner's Court, and or Monitor, may enter the said Leased Premises at any time for the purposes of inspecting the Leased Premises and Improvements thereon.

8. DUTIES AND OBLIGATIONS OF LESSEE. Lessee agrees to perform and carry out the following duties at Lessee's sole cost and expense:

- (a) Make every effort to keep all livestock within the fenced boundaries of the Leased Premises. Lessee will check the entire boundary of the Leased Premises each year during the term.
- (b) To keep animals in good health, including but not limited to, ensuring all vaccinations are current.
- (c) Brand or tag all livestock in a manner sufficient to determine identify of ownership.
- (d) To preserve and maintain established earthen stock tanks, watercourses, or ditches, and to refrain from any operation that will limit their ability to perform according to their intended use.
- (e) To keep the Leased Premises neat and orderly.

- (f) To prevent all unnecessary waste, loss, or damage to the property of Lessor.
- (g) To refrain from using the Leased Premises for the storage or disposal of hazardous waste, hazardous substances, and other pollutants or toxic substances; to dispose of any and all waste in a manner as approved by Environmental Protection Agency regulations, Fire Marshall, or other governing regulatory body; to refrain from installing underground storage tanks for fuel, pollutants, hazardous waste, hazardous substances, or other similar substances.
- (h) To practice fire prevention, follow safety rules, and abide by any restrictions with respect to the use and operation of the Leased Premises which may be contained within Lessor's or Lessee's insurance policies and/or contracts.
- (i) To comply with any governmental program or programs affecting the Leased Premises, and to follow the conservation program, if any, as applied to the Leased Premises or any part thereof unless otherwise agreed in writing by Lessor or its agents.
- (j) To comply with any federal, state, or local law, regulation, or ordinance now or hereafter applicable to the Leased Premises, and to obtain all necessary permits, licenses, consents, or other authorizations necessary for Lessee's use and operation of the Leased Premises, and to comply with all instructions Lessor may provide.

Lessee agrees that unless the WRITTEN CONSENT OF LESSOR IS FIRST OBTAINED, (which consent may be withheld or delayed at Lessor's sole and absolute discretion), Lessee will:

- (i) Not sublease or assign this Lease to any person or persons. Notwithstanding, Lessee may enter into hunting leases with third parties without prior approval of Lessor so long as Lessee remains bound by and obligated to perform all of Lessee's obligations hereunder.
- (ii) Not erect or permit to be erected any structure or building, or to incur any expense for such purposes.
- (iii) Not permit, encourage, or invite other persons to use any part of or all of the Leased Premises for any purpose or activity not directly related to its use provided herein.
- (iv) Not erect or permit to be erected any commercial advertising signs on the Leased Premises.
- (v) Not store or allow to remain on the Leased Premises any derelict equipment, motor vehicles, trash, rubbish, or debris.

9. **CONDITION OF LEASED PREMISES.** Lessee acknowledges and covenants that Lessee is familiar with and has physically inspected the Leased Premises and the improvements thereon, if any, that Lessee is acquainted with the condition thereof, and that Lessee accepts the same in their present condition without reliance upon any oral or other representation by Lessor or any agent, representative or contractor of Lessor. LESSOR HEREBY DISCLAIMS ANY WARRANTY, IMPLIED OR EXPRESS, REGARDING THE LEASED PREMISES, THE QUALITY OR CONDITION THEREOF (INCLUDING, WITHOUT LIMITATION, THE MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE LEASED PREMISES OR ANY PART THEREOF), OR ANY OTHER MATTER OR THING CONCERNING THE LEASED PREMISES. LESSEE HEREBY WAIVES ANY AND ALL LOSSES, COSTS, CLAIMS OR LIABILITIES WHICH LESSEE MAY INCUR WHICH ARE IN ANY WAY RELATED TO ANY CHANGE IN THE CONDITION OF THE LEASED PREMISES. THE TAKING OF POSSESSION OF THE LEASED PREMISES BY LESSEE SHALL CONSTITUTE LESSEE'S ACKNOWLEDGEMENT THAT THE LEASED PREMISES IS IN SATISFACTORY CONDITION. IN ADDITION, LESSOR EXPRESSLY DISCLAIMS ANY IMPLIED WARRANTY THAT LESSEE'S OBLIGATION TO PAY RENT HEREUNDER IS DEPENDENT UPON THE CONDITION OF THE LEASED PREMISES OR THE PERFORMANCE BY LESSOR OF ITS OBLIGATIONS HEREUNDER. Lessee acknowledges that all property of Lessee or others shall be on the Leased Premises at the sole risk of Lessee, and Lessee accepts all risks of any loss or damage thereto from any cause whatsoever.

10. **INSURANCE AND ASSUMPTION OF RISKS; RELEASE.** Lessee shall be obligated, during the entire Term, to secure and maintain, at Lessee's sole cost and expense, the following insurance coverage:

(k) A policy of commercial general liability insurance (with contractual liability endorsement) (on an occurrence basis) with combined single limit coverage of not less than \$1,000,000.00 for bodily injuries, or deaths, and property damage, per occurrence.

(l) Fire and extended coverage insurance covering the replacement cost of (a) all alterations, additions, and improvements installed or placed on the Leased Premises, and (ii) all of Lessee's personal property contained within the Leased Premises.

(m) All policies of insurance required to be maintained by Lessee under the provisions of this Agreement shall be written by a solvent insurance company or companies which are acceptable to Lessor (which acceptance shall not be unreasonably withheld) and which are duly licensed to issue such policies in the State of Texas. Said policies shall name Lessor (in its individual and fiduciary capacity) and Lessee as insured as their interests may appear, shall provide for at least thirty (30) days written notice to Lessor by the insurer or insurers prior to cancellation, and shall provide primary coverage to Lessor so that when any policy issued to Lessor is similar or duplicative in coverage, Lessor's policy shall be excess over Lessee's policies. Lessee shall furnish Lessor with evidence of coverage (including Certificates of Insurance and copies of each such policy) on or prior to the Commencement Date of

this Agreement, but in any event prior to Lessee's initial entry in the Leased Premises after the date the Leased Premises is delivered to Lessee, and not less than fifteen (15) days prior to each annual renewal of the applicable policy.

(n) Notwithstanding anything in this Agreement to the contrary, Lessor and Lessee each hereby waives any and all rights of recovery, claims, actions or causes of action, against the other, its agents, servants, representatives, directors, officers, partners, shareholders, or employees, for any loss or damage that may occur to such party, the Leased Premises or any improvements thereto, or any personal property of such party therein, but only to the extent such loss or damage is insured and recoverable (or would have been insured and recoverable) under the terms of any insurance policies maintained (or required to be maintained) pursuant to this Agreement or otherwise, regardless of cause or origin, **including the sole, contributory, partial, joint, comparative or concurrent negligence of the other party hereto, its agents, servants, representatives, directors, partners, shareholders, officers or employees,** and covenants that no insurer shall hold any right of subrogation against such other party or its respective agents, servants, representatives, directors, partners, shareholders, officers or employees. If the respective insurer of Lessor and Lessee does not permit such a waiver without an appropriate endorsement to such party's insurance policy, then Lessor and Lessee each covenant and agree to notify its insurer of the waiver set forth herein and to secure from such insurer an appropriate endorsement to its respective insurance policy with respect to such waiver. The subrogation waiver set forth in this paragraph shall be in addition to, and not in substitution for, any other waivers, indemnities or exclusions of liability set forth in this Agreement.

Lessee acknowledges and agrees that Lessee takes possession of the Leased Premises subject to the hazards of operating a pasture lease and assumes all risk of accidents personally as well as for family members, employees, trespassers, third party contractors, service providers or agents in pursuance of pasture operations or in performing repairs on buildings, fence, tile, and other improvements.

Lessee shall defend, indemnify and hold harmless the Lessor, its directors, officers, members, shareholders, agents, employees, heirs, successors and assigns (collectively, the "Indemnified Persons") from all suits, actions, claims, damages (including actual, consequential and punitive), losses, fines, penalties, liens, causes of action, suits, judgments, settlements, forfeitures, administrative and judicial proceedings, costs or liabilities of any character, name and description, including court costs, attorney's fees (including attorney's fees in defending and/or settling a claimed liability and attorney's fees to collect on this indemnity), and costs of investigation and expert witness fees and also including deaths, disease, or bodily or personal injuries of or to employees of Lessee, arising out of, caused by, or resulting from (a) the condition of the Leased Premises, (b) injuries or deaths of persons or damages to property, (c) use or occupancy of the Leased Premises by Lessee or Lessee's employees, invitees or contractors or the conduct of Lessee's business, (d) any breach or default by Lessee in the performance of its obligations hereunder, or (e) any act, omission or strict liability of Lessee, or

of Lessee's employees, invitees or contractors (collectively, the "Indemnified Liabilities"). This indemnity survives termination or expiration of this Lease and includes Indemnified Liabilities that arise after the termination or expiration of this Lease.

Lessor and its employees and agents shall not be liable to Lessee or to Lessee's employees, agents, patrons, visitors, invitees, or any other persons or entity, and Lessee hereby releases Lessor and its directors, officers, members, shareholders, employees, heirs, successors and assigns (collectively, the "Released Persons") from, and waives all claims, now or hereafter existing, as to all liabilities, claims, damages, losses, liens, fines, penalties, costs, causes of action, suits, judgments, settlements and expenses (including court costs, attorney's fees, and costs of investigation), of any nature, kind or description, including death or bodily or personal injury, directly or indirectly arising out of, caused by, or resulting from (in whole or in part) (a) the condition of the Leased Premises, (b) bodily or personal injuries or deaths of persons or damages to property, or (c) the acts or omissions of other Lessees or occupants of the Leased Premises or of any other persons or entities whomsoever (collectively, the "Released Liabilities"), **even if such Released Liabilities arise from or are attributable to the negligence or strict liability of a Released Person. The only liabilities with respect to which this release does not cover are liabilities resulting from the gross negligence or intentional or willful misconduct of a Released Person.** This release survives termination or expiration of this Lease and applies to Released Liabilities that arise after the termination or expiration of this Lease.

11. **EXPIRATION OF TERM; TERMINATION; SURRENDER.** Lessee hereby expressly waives any and all rights to receive notices to terminate the tenancy of the Leased Premises granted by or under any present or future laws or statutes, and Lessee agrees to quit and deliver up possession of the Leased Premises to Lessor at the end of the term of this Lease stated above, or as otherwise earlier terminated by the provisions herein.

Lessee agrees at the expiration or earlier termination of this Lease to yield possession of the Leased Premises to Lessor without further demand or notice. Lessee will, prior to the expiration or termination date, remove all of its personal property of all type and description from the Leased Premises at its own cost and expense. If Lessee fails to promptly yield possession, Lessee shall, in addition to all other remedies available at law or in equity, pay to Lessor the sum of \$10 per day per animal unit then located on the Leased Premises, as additional rent, for each day Lessee remains in possession thereafter. Any such payments shall not entitle Lessee to any interest of any kind or character in or on the Leased Premises.

12. **DEFAULT.** If Lessee (1) fails to pay the rent or any portion thereof when due, or (2) loses possession of the Leased Premises by reason of receivership or, bankruptcy (3) otherwise breaches any of the terms and conditions of this Lease, which breach is not cured within ten (10) days after Lessor gives notice to Lessee of such breach, then Lessor, at its option, may (i) declare this Lease terminated and take immediate possession of the Leased Premises, (ii) enter upon the Leased Premises and cure the breach of Lessee hereunder, or (iii) pursue any other rights or remedies available to Lessor at law, in equity, by statute, or otherwise, which Lessor has as a result of Lessee's breach hereunder. All expenses incurred by Lessor in connection with a breach of this Lease by Lessee, including, without limitation, attorneys' fees, shall be due and payable

as additional rent payable by Lessee hereunder. The rights and remedies of Lessor under this Lease shall be cumulative and the assertion of one right or remedy by Lessor shall not constitute a waiver of any other right or remedy available to Lessor. In the case of such termination and Lease forfeiture, Lessee agrees to surrender immediate possession of the Leased Premises to Lessor, and further the entire balance of rent due for the term of this Lease shall become immediately due and payable.

13. SECURITY INTEREST. Lessee grants to Lessor a security interest in the collateral to secure payment and performance by Lessee of all obligations and payments due from Lessee under this lease. The collateral will include all of Lessee's crops, livestock, and personal property located or to be located on the Leased Premises, and all products, proceeds, offspring, increase, governmental payments, insurance proceeds, documents of title, and warehouse receipts relating to such property.

This lease is a security agreement under both article 9 of the Texas Business and Commerce Code and the federal Food Security Act of 1985. Lessee agrees to furnish to Lessor a list of the names and addresses of any buyer, commission merchant, or selling agent to or through whom Lessee may sell the collateral. Lessee agrees to notify Lessor of the identity of any buyer, commission merchant, selling agent, or warehouse to or with whom Lessee intends to sell or store the collateral within seven days before any sale or storage of the collateral.

14. SUBORDINATION. If Lessee finances its cattle operations on the Leased Premises, then upon request of lender, Lessor will subordinate Lessor's liens to lender's liens on the Lessee's cattle.

15. CONDEMNATION. If during the Term, all of the Leased Premises should be taken for any public or quasi-public use, this Agreement shall terminate, and the rent shall be abated during the unexpired portion of the Term effective as of the taking of the Leased Premises by the condemning authority. If less than all but at least 25% of the Leased Premises is taken for any public or quasi-public purpose, either party may terminate this Agreement by giving written notice to the other. If less than 25% of the Leased Premises is taken for any public or quasi-public purpose, neither party may terminate this Agreement. In the event the Leased Premises is partially condemned but neither party elects to terminate this Agreement or has the right to terminate this Agreement, then the rent under this Agreement shall be adjusted equitably according to the number of acres taken.

16. NOTICES. Any notice required under this Lease to be served upon Lessor or Lessee shall be personally delivered, or shall be mailed by certified mail, return receipt requested, or reputable overnight courier with delivery confirmation, to the parties at the address shown herein following their signatures, or at such other place as the parties may from time to time designate in writing.

17. CONSTRUCTION. The language used in this Lease shall be deemed to be the language approved by Lessor and Lessee to express their mutual intent and no rule of strict construction shall be applied against any party.

18. **GOVERNING LAW.** This Lease shall be construed and interpreted in accordance with the laws of the State of Texas and Venue shall lie in the County where the Leased Premises are located.

19. **MERGER.** All prior offers, acceptances, oral representations, agreements, and writings between the parties heretofore made are merged herein and shall be of no force or effect unless contained in this Lease.

20. **AMENDMENTS AND EXTENSIONS.** This Lease may only be amended by a written agreement signed by both parties. This Lease may be extended by a mutual written agreement signed by both parties.

21. **TIME IS OF THE ESSENCE, EXTENSION OF LIABILITIES.** Time is of the essence of this Lease. All of the agreements contained herein shall be binding upon the heirs, executors, administrators, and permitted assigns of Lessee and upon the successors and assigns of Lessor. Lessee shall not assign this Lease or sublease the Leased Premises without the prior written consent of Lessor, which consent may be withheld or delayed at Lessor's sole and absolute discretion.

22. **ATTORNEYS' FEES.** Lessee and Lessor agree, in the event litigation is necessary to enforce any term or condition of this Lease, the non-prevailing party shall reimburse the prevailing party for all expenses and costs (including reasonable attorney's fees) incurred by the prevailing party.

23. **ENTIRE AGREEMENT.** This Lease contains all covenants, promises, agreements and terms between Lessor and Lessee, with respect to grazing and ancillary uses, with no verbal agreements outstanding or binding and may not be modified, supplemented, explained, or waived by parole evidence, a course of dealing or any other method except in writing signed by all parties.

24. **SEVERABILITY.** If any part of this Agreement shall be held unenforceable for any reason, the remainder of this Agreement shall continue in full force and effect.

25. **WAIVER OF JURY TRIAL.** EACH PARTY HERETO HEREBY WAIVES THEIR RIGHT TO TRIAL BY JURY AND AGREE TO HAVE ANY DISPUTES ARISING BETWEEN THEM IN ANY WAY ARISING OUT OF OR RELATING TO THIS AGREEMENT RESOLVED BY A JUDGE OF A COMPETENT COURT SITTING WITHOUT A JURY.

26. **PARTNERSHIP.** This Lease shall not be deemed to give rise to a partnership relationship, and neither party shall have authority to obligate the other without written consent, except as specifically provided in this Lease.

27. **MISCELLANEOUS.** This Agreement may be executed in counterparts, each of which shall constitute one and the same instrument. The parties agree that facsimile or electronic

signatures will be treated in all manner and respects as a binding and original document, and the signature of any party shall be considered for these purposes as an original signature.

IN WITNESS WHEREOF, the parties hereby represent the person signing on behalf of any entity named herein has been properly authorized to sign its behalf, and that such party has executed this Lease on the day and year first written above.

LESSOR:

UPSHUR COUNTY, TEXAS

By: _____

Name: _____, Upshur County Judge

By: _____

Name: _____, Upshur County Commissioner #1

By: _____

Name: _____, Upshur County Commissioner #2

By: _____

Name: _____, Upshur County Commissioner #3

By: _____

Name: _____, Upshur County Commissioner #4

LESSEE:

Goldsmith Cattle Company, LLC

By:  _____

Name: Spencer Goldsmith

Title: Member

Address: 7955 US Hwy 283 South, Baird, Texas 79504

Contact: 325-668-1120 or spencergoldsmith@gmail.com

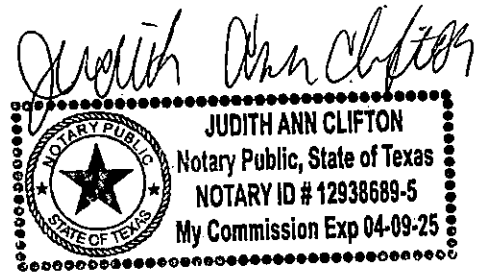


EXHIBIT A

UPSHUR COUNTY SCHOOL LAND:

Tract One:

Being 8856 acres of land, more or less, described as follows:

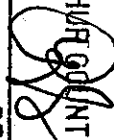
Two leagues of land situated in Throckmorton County, Texas, granted by the State of Texas to the School Commissioners of Upshur County and their successors, by Patent No. 494, Volume 11, Abstract 825, and to which patent and record thereof in the General Land Office in Austin, Texas, reference is here made for further description and field notes.

AND

Tract Two:

Being 8856 acres of land, more or less, described as follows:

Two leagues of land situated in Throckmorton and Baylor Counties, Texas, granted by the State of Texas to the School Commissioners of Upshur County and their successors, by Patent No. 722, volume 12, Abstract 557 (Throckmorton County, 972 acres, more or less), and Abstract 1452 (Baylor county, 7884 acres, more or less), and to which patent and record thereof in the General Land Office in Austin, Texas, reference is here made for further description and field notes.

FILED
TERRI ROSS
COUNTY CLERK
2022 MAR 31 PM 3:27
UPSHUR COUNTY, TX.
BY 
DEPUTY