

AN ORDINANCE 2008 - 04 - 10 - 0294

AUTHORIZING ACQUISITION OF AN AQUIFER-PROTECTION CONSERVATION EASEMENT OVER APPROXIMATELY 4,299 ACRES IN UVALDE COUNTY OWNED BY BLANCO SPRINGS RANCH, LLC IN EXCHANGE FOR PAYING APPROXIMATELY \$3,766,057.00 AT CLOSING PLUS PAYING APPROXIMATELY \$81,057.00 TO THE NATURE CONSERVANCY.

* * * * *

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The City authorizes and directs the City Manager and her designee, severally: (A) to accept on behalf of the City the conservation easements described below:

From Blanco Springs Ranch, LLC

A conservation easement substantially in the form attached as **Attachment I** on approximately 4,299 acres in Uvalde County, the affected real estate being more particularly described in **Attachment II**.

SECTION 2. The city manager and her designee, severally, should take all other actions necessary or convenient to effectuate the transaction, including agreeing to non-material changes to the approved form and executing all necessary or convenient ancillary instruments and agreements.

SECTION 3. The amount of \$3,766,057.00 is appropriated in SAP Fund 29083000, Parks Development & Expansion Venue Proj, SAP Internal Order # 390000000561, SAP GL account 6102100 – Interfund Transfer out entitled Transfer to 24-00013-90-01. The amount of \$3,766,057.00 is authorized to be transferred to SAP Fund 40005000.

SECTION 4. The budget in fund 40005000, SAP Project Definition 24-00013, Edwards Aquifer Land Acqui & Park Expansion, shall be revised by increasing SAP WBS Element 24-00013-90-01 entitled Trf Fr I/O# 390000000561, SAP GL Account 6101100 – Interfund Transfer In, by the amount \$3,766,057.00.

SECTION 5. The amount of \$3,655,000.00 is appropriated in SAP Fund 40005000, Park Improvements, SAP Project Definition Definition 24-00013, Edwards Aquifer Land Acqui & Park Expansion, SAP WBS Element 24-00013-03-06, entitled Acquisition, SAP GL Account 5201110, and is authorized to be encumbered and made payable to the order of Texas Heritage Title, for Easement Cost.

SECTION 6. The amount of \$21,057.00 is appropriated in SAP Fund 40005000, Park Improvements, SAP Project Definition Definition 24-00013, Edwards Aquifer Land Acqui & Park Expansion, SAP WBS Element 24-00013-03-07, entitled Miscellaneous, SAP GL Account 5209010 and is authorized to be encumbered and made payable to the order of Texas Heritage Title, for Due Diligence Cost.

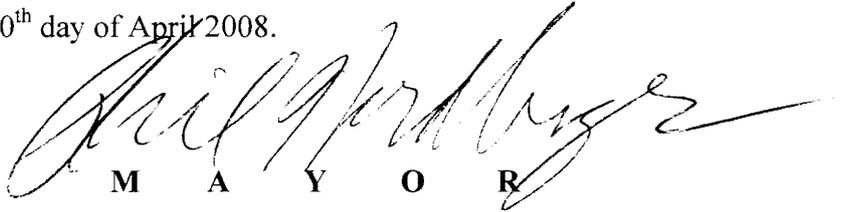
SECTION 7. The amount of \$60,000.00 is appropriated in SAP Fund 40005000, Park Improvements, SAP Project Definition Definition 24-00013, Edwards Aquifer Land Acqui & Park Expansion, SAP WBS Element 24-00013-03-07, entitled Miscellaneous, SAP GL Account 5201040 and is authorized to be encumbered and made payable to the order of Texas Heritage Title, for TNC fees.

SECTION 8. The amount of \$30,000.00 is appropriated in SAP Fund 40005000, Park Improvements, SAP Project Definition Definition 24-00013, Edwards Aquifer Land Acqui & Park Expansion, SAP WBS Element 24-00013-03-03, entitled Title, SAP GL Account 5209010 and is authorized to be encumbered and made payable to the order of Texas Heritage Title, for Closing Costs.

SECTION 9. The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance may, subject to concurrence by the City Manager, or the City Manager's designee, correct allocation to specific SAP Fund Numbers, SAP Project Definitions, SAP WBS Elements, SAP Internal Orders, SAP Fund Centers, SAP Cost Centers, SAP Functional Areas, SAP Funds Reservation Document Numbers, and SAP GL Accounts as necessary to carry out the purpose of this Ordinance.

SECTION 10. This ordinance becomes effective 10 days after passage.

PASSED AND APPROVED this 10th day of April 2008.



M A Y O R

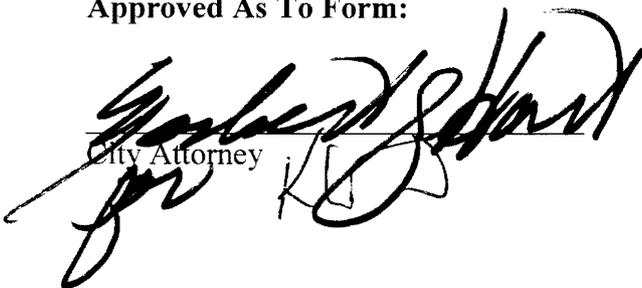
PHIL HARDBERGER

Attest:

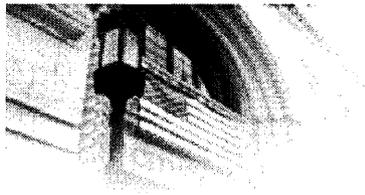


City Clerk

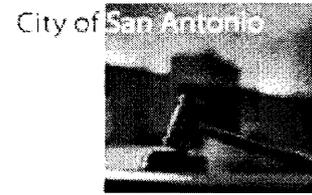
Approved As To Form:



City Attorney



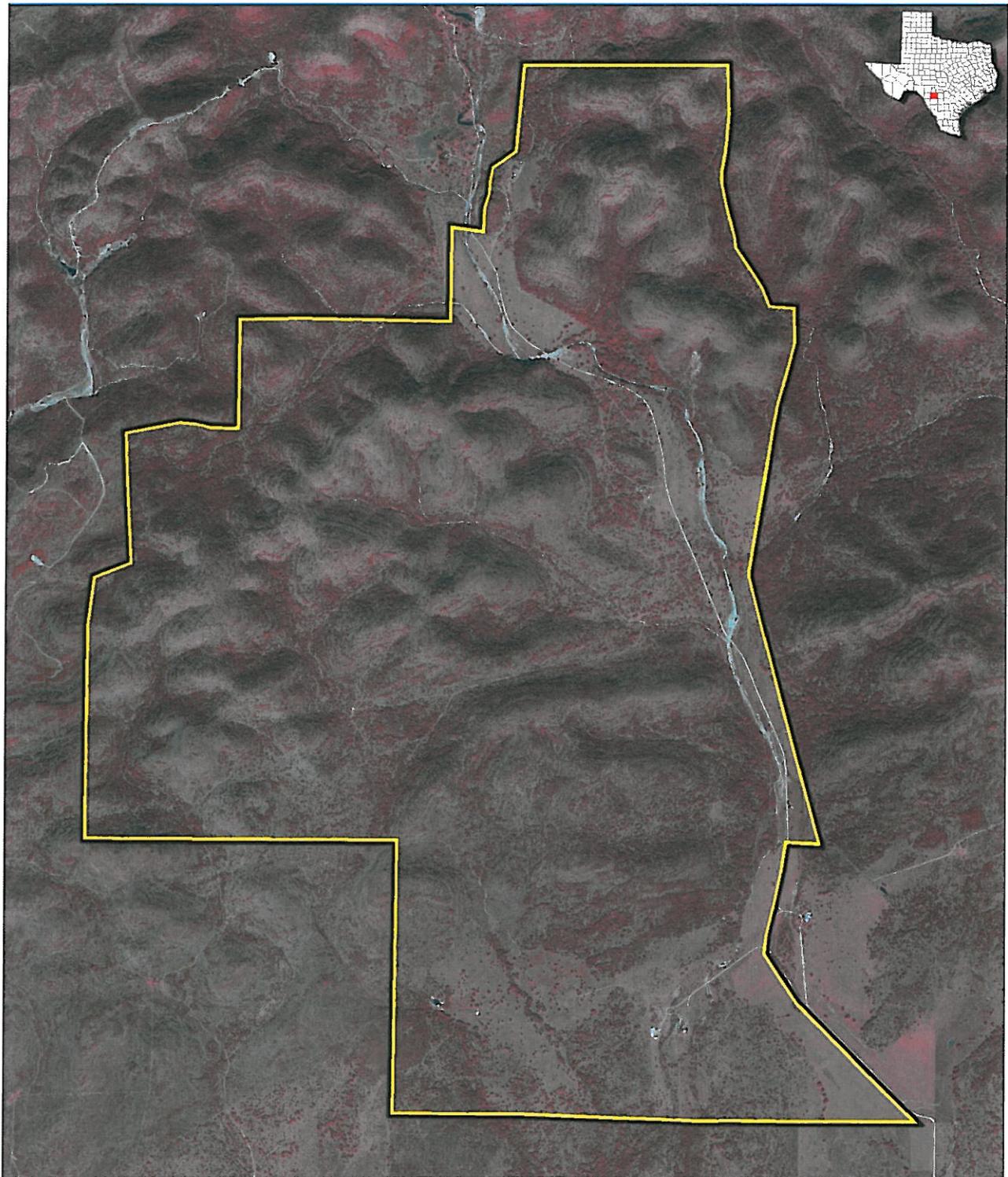
Request for
COUNCIL
 ACTION



Agenda Voting Results - 15

Name:	15						
Date:	04/10/2008						
Time:	10:22:19 AM						
Vote Type:	Motion to Approve						
Description:	An Ordinance authorizing acquisition of an aquifer-protection conservation easement over approximately 4,299 acres in Uvalde County owned by Blanco Springs Ranch, LLC in exchange for paying approximately \$3,766,057.00 at closing plus paying approximately \$81,057.00 to The Nature Conservancy. [Penny Postoak Ferguson, Assistant City Manager; Mike Frisbie, Director, Capital Improvements Management Services]						
Result:	Passed						
Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Phil Hardberger	Mayor		x				
Mary Alice P. Cisneros	District 1		x				
Sheila D. McNeil	District 2		x				
Jennifer V. Ramos	District 3		x				
Philip A. Cortez	District 4		x				
Lourdes Galvan	District 5	x					
Delicia Herrera	District 6		x				
Justin Rodriguez	District 7		x			x	
Diane G. Cibrian	District 8		x				
Louis E. Rowe	District 9		x				
John G. Clamp	District 10		x				x

Aerial Map of Blanco Springs Ranch, Uvalde County



Attachment I

Notice of Confidentiality Rights: If You Are a Natural Person, You May Remove or Strike Any or All the Following Information from Any Instrument That Transfers an Interest in Real Property Before It is Filed for Record in the Public Records: Your Social Security Number or Your Driver's License Number.

STATE OF TEXAS §
 § KNOW ALL BY THESE PRESENTS:
COUNTY OF ?????? §

Grant of Conservation Easement (????)

Grantor grants this conservation easement to Grantee as of the Effective Date.

Predicate Facts

Grantor owns the Property identified below in fee simple, subject to the Reservations From and Exceptions to Warranty.

The Property sits over the Edwards Aquifer recharge zone, the contributing zone, or both.

Grantor and Grantee both wish to restrict development on the Property in furtherance of protecting indefinitely the quantity and quality of the water percolating into the Edwards Aquifer.

The characteristics of the Property, its current use and state of improvement, are described in the Report (as defined below).

The Report is a complete and accurate description of the Property as of the date of this instrument, establishing the baseline condition of the Property as of the Effective Date and includes reports, maps, photographs, and other documentation;

In inquiring into the condition of the Property as of the date of this easement, the Report may be augmented but not contradicted by other evidence.

Grantor and Grantee have the common purpose of protecting the natural condition of the Property to further the Purposes of this easement in perpetuity.

The rights and obligations arising under this instrument are a bargained-for allocation of property rights between Grantor and Grantee.

Grant, Rights, and Obligations

Now, **Therefore**, in consideration of the premises, the mutual covenants and promises contained herein, \$10 in hand paid, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Grantor grants and conveys to Grantee in perpetuity a conservation easement in gross over the Property. This easement is created under and is governed by Chapter 183 of the Texas Natural Resources Code, as amended, or its recodification.

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1. Basic Information.

Authorizing Ordinance:

Grantor:

Grantor's Address: ????? (??? County)

Grantee:

Grantee's Address:

Property: /?????/ as more particularly described on **Exhibit A.**

Maximum Partitions: /???? No. of partitions ???/.

Maximum Number of Building Envelopes: Two for each Parcel.

No-Development Zones: ??? as more particularly described on **Exhibit B**, except Structures shown in the Report need not be removed.

Maximum Increased Impervious Cover: ??? square feet, which is intended to approximate ½ of one percent of the Property's total acreage, but the square footage controls

Maximum Impervious Cover per Building Envelope: 25% of the total square feet in the Building Envelope

Maximum Number of Water Wells: ?????

Report: The Easement Documentation Report dated ??? prepared by ????? relating to the Property, as shown on **Exhibit C.**

Exceptions to and Reservations from Warranty: As shown on **Exhibit D.** *????? All items from Schedule B of title policy except rights of parties in possession and shortages in area.?????*

All exhibits are incorporated into this instrument by reference for all purposes, as if fully set forth.

2. Exhibits.

Exhibit A	Description of Property
Exhibit B	No-Development Zones
Exhibit C	Report
Exhibit D	Exceptions to and Reservations from Warranty

3. Purpose.

This easement's purpose ("Purpose") is to minimize the chance of materially impairing the quantity or quality of recharge into the Edwards Aquifer from the Property. In furthering the Purpose, the parties restrict numerous activities on the Property and seek to assure that the Property remains forever in approximately the same natural state in which it now exists, except as otherwise provided.

4. Definitions.

4.01. Building Envelope means an area set aside within the Property in which Structures may be built. Each Building Envelope is five acres.

4.02. Feeder means a device that dispenses or otherwise provides food to livestock or wildlife that sits on legs above the surface of the ground.

4.03. Hazardous Materials means (i) any hazardous waste as defined by the Resource Conservation and Recovery Act of 1976 (42 U.S.C. Section 6901 et. seq.), as amended from time to time, and regulations promulgated thereunder; (ii) any hazardous substance as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. Section 9601 et seq.), as amended from time to time, and regulations promulgated thereunder (including petroleum-based products as described therein); (iii) other petroleum and petroleum-based products; (iv) asbestos in any quantity or form which would subject it to regulation under any Applicable Laws; (v) polychlorinated biphenyls; (vi) any substance, the presence of which on the Property is prohibited by any Applicable Laws; and (vii) any other substance which, by any Applicable Laws, requires special handling in its collection, storage, treatment or disposal. As used herein, "Applicable Laws" means all laws, statues, ordinances, regulations, and judicial rulings now or hereafter adopted by any governmental authority with jurisdiction over the Property.

4.04. Hunting Blind means a structure of 100 square feet or less used for viewing wildlife or hunting. Blinds may but need not be elevated.

4.05. Impervious Cover means any artificial condition that substantially impedes absorption of water by the soil, including roofs, foundations, parking lots, Roads, and anything else covering or placed above the natural surface of the land. Trailers of all types count as Impervious Cover. Temporary Impervious Cover put in place by one claiming through a mineral lessee not a party to this instrument does not count against the Maximum Increased Impervious Cover limit..

4.06. Maximum Increased Impervious Cover means the maximum amount of the Property to which Impervious Cover may be added after the Effective Date. It does not include Impervious Cover shown in the Report (or replacements thereof), Temporary Impervious Cover, equipment, structures, facilities or other items placed on Property pursuant to or in connection with Grantee's rights under Section 15.01, or roads or rights of way on or through the Property acquired through condemnation or by exercise of a third party's right that predates this easement.

4.07. No-Development Zone means an area set aside within the Property in which no Building Envelopes, Roads, or other development may occur.

4.08. Parcel means a separate portion of the Property resulting from a Partition allowed under this instrument, the number of Parcels always equaling one more than the number of Partitions.

4.09. Partition means the division, subdivision, or partition of the Property. It includes platting, conveying part of the Property to another, or other arrangement creating characteristics of a subdivision, all as determined in the sole discretion of the Grantee. Creation of undivided interests in the Property does not create a Partition.

4.10. Road means any route traveled by motorized vehicles whether or not paved or otherwise improved. Roads include (A) completely unimproved paths on which soil compaction impairs recharge and (B) public roads bounded on both sides by the Property.

4.11. Temporary Impervious Cover pertain to drilling operations and means cover the operator is required by applicable law to remove on completion of drilling operations.

4.12. Structure means anything built on the land, excluding fences, Hunting Blinds, and Feeders.

5. Development-Related Provisions.

5.01. Grantor must maintain the Property in substantially the same state shown in the Report, except as otherwise provided in this instrument.

5.02. Grantor must not:

5.02.01. Exceed Maximum Increased Impervious Cover or the Maximum Impervious Cover per Building Envelope.

5.02.02. Partition the Property into more Parcels than allowed by the Maximum Partitions.

5.02.03. Except as otherwise expressly allowed by this instrument, build any Structures outside a Building Envelope, build a Structure higher than three stories, or allow a mobile home, motor home, or travel trailer to be lived in or stored on the Property outside a Building Envelope.

5.02.04. Install, maintain, repair, or replace more than one septic system for each Structure containing plumbing.

5.02.05. Unless Grantee consents in writing, grant new utility or Road easements. Grantee will generally withhold consent except when the easement is granted under threat of condemnation. Despite this proscription, Grantor may, without Grantee's consent but subject to the Maximum Increased Impervious Cover, grant road and utility easements reasonably necessary to service and to permit access to Parcels allowed under this instrument.

5.02.06. Except as otherwise provided in this instrument or as reasonably necessary to conduct activities permitted under this instrument, ditch, drain, fill, dig, or otherwise make permanent, substantial topographical changes. Grantor needs no permission to build stock tanks or other surface water-retention facilities, but stock tanks and other surface water retention facilities not shown in the Report must not exceed two acres each and must not cause the Property to exceed the Maximum Increased Impervious Cover, if the bottom of the facility is impervious. Surface water retention facilities built to facilitate recharge do not count toward the Maximum Increased Impervious Cover.

5.02.07. Drill or allow the existence of more than the Maximum Number of Water Wells on the Property. Water wells drilled by Grantee for monitoring or other Grantee purposes and not used by Grantor do not count against the Maximum Number of Wells.

5.02.08. Conduct any business activity on the Property that would draw large numbers of people to the Property at any one time or that might, as a reasonably expected

incident of its conduct, materially impair the quantity or quality of the Edwards Aquifer recharge from the Property. A bed and breakfast or guest ranch with 10 or fewer bedrooms for guests is acceptable.

5.03. For so long as the activities are conducted so as not to materially impair the Purpose, Grantor may:

5.03.01. Reside and entertain family and guests on the Property.

5.03.02. Maintain, restore, and rebuild Structures in Building Envelopes or shown to be on the Property in the Report.

5.03.03. Continue use and enjoyment of the Property for ranching, agriculture, hunting, fishing, and recreation, consistently with other applicable express provisions of this instrument.

5.03.04. Allow temporary and storage structures outside Building Envelopes and outside No-Development Zones, but no such structures may cause the Property to exceed the Maximum Increased Impervious Cover.

5.03.05. Engage in all acts and uses that: (i) are permitted by law and (ii) are consistent with the Purpose.

5.04. If not identified in this instrument, Grantor may propose Building Envelope locations to Grantee. Grantor's requests for Building Envelope locations are handled according to the paragraph titled "Requests for Approval." Areas subject to Building Envelopes must be defined with the same degree of specificity required for identifying real property for conveyance. Approved Building Envelopes must be evidenced by a recorded memorandum signed by both Grantor and Grantee. The property description must be attached to the memorandum. All residences shown on the Report must be contained in a Building Envelope. If Grantee wishes to change a Building Envelope, in addition to following the process for designation of any Building Envelope, Grantor must assure that the former Building Envelope site is restored such that it will offer the same quantity and quality of recharge as similar, previously undeveloped areas.

6. Agriculture-Related Provisions.

6.01. Grantor must not:

6.01.01. Operate a feedlot, poultry farm, or similarly intensive animal operation.

6.01.02. Operate a horticultural nursery.

6.02. For so long as the activities are conducted in such a way as not to materially impair the Purposes of this instrument, Grantor may:

6.02.01. Graze livestock, but only according to a Grantee-approved plan or a United States Department of Agriculture Natural Resource Conservation Service-approved plan. If the United States Department of Agriculture Natural Resource Conservation Service ceases to exist or ceases to approve such plans, Grantee may designate an alternative, similarly qualified authority to review and approve livestock plans.

6.02.02. Grow crops in fields identified in the Report or approved by Grantee.

6.02.03. Hunt and fish on the Property, lease the Property for hunting and fishing, and provide guided and unguided hunts and fishing.

6.02.04. Construct or install fences, Hunting Blinds, and Feeders, even in No-Development Zones.

6.02.05. Permit other outdoor recreation on the Property. In connection with recreation, Grantor may install composting toilets on the Property, but if it does so, Grantor must properly maintain them.

6.02.06. Foster the presence of wildlife on the Property.

6.02.07. Cut firewood for use on the Property.

6.02.08. Control brush according to a United States Department of Agriculture Natural Resource Conservation Service-approved plan or Grantee-approved plan. If the United States Department of Agriculture Natural Resource Conservation Service ceases to exist or ceases to approve such plans, Grantee may designate an alternative, similarly qualified authority to review and approve brush control plans.

7. Vegetation-Related Provisions.

7.01. Outside Building Envelopes, Grantor must not cut or remove vegetation, except Grantor may, without restriction, cut firebreaks up to 15 feet wide and cut and remove diseased or exotic vegetation or vegetation so damaged by natural forces as to be unable to survive. Grantor may further cut and remove native vegetation to further the Purpose, in Building Envelopes, and as may be reasonably necessary to conduct activities permitted under this instrument, but in so doing, it must minimize erosion and must not otherwise materially impair the Purpose.

7.02. Except for Building Envelopes and fields permitted under this instrument, Grantor must not plant exotic vegetation on the Property.

7.03. Except in fields permitted under this instrument, Grantor must not plow or use fertilizers.

8. Vehicle-Related Provisions.

Authorized representatives of Grantor and Grantee may use motorized vehicles anywhere on the Property in furtherance of their responsibilities under this easement and as reasonably necessary for Grantor's residential use, agricultural, ranching, and wildlife management operations, ecotourism, educational programs and maintenance of the Property. No such use may materially impair the Purpose. Except for the uses described above, Grantor must not use motorized vehicles on the Property except on Roads and parking areas shown in the Report, consented to in writing by Grantee, or otherwise permitted by this instrument.

9. Storage, Dumping, and Disposition-Related Provisions.

9.01. Grantor must not:

9.01.01. Store chemicals (except those for activities permitted under this instrument) that, if leaked, would materially degrade surface or subsurface water quality.

9.01.02. Dump trash, rubbish, or other waste, except short-term storage of material accumulated in the course of conducting activities permitted under this instrument. All such materials must be removed from the Property not less often than annually, and no such materials may leak chemicals into or otherwise pose a material degradation threat to the quality of water entering the Edwards Aquifer. Grantor may burn trash in a container, but Grantor must not permit the residue from the fire to be dumped on the soil. All such residue must be contained until it is removed from the Property.

9.01.03. Generate, store, collect, transport, dispose, dump, or release hazardous waste or materials, in whatever form, or install or permit underground storage tanks on the Property

9.01.04. Store, use, or apply herbicides, biocides, pesticides, fertilizers, insecticides, fungicides, rodenticides, or any similar chemicals or agents, except for (A) household use or (B) use of chemicals, including fertilizers, on a list approved by Grantee, as the list may be changed from time to time. Grantee's list may impose time, quantity, and use restrictions. While the City of San Antonio is the Grantee, the City Manager may alter the list without further action or authorization by City Council. Grantor's use of such chemicals must conform to then current best practices, and Grantor must not allow permitted materials to leak into or otherwise pose a material degradation threat to the quality of water in the Edwards Aquifer. Grantor must indemnify Grantee from all loss, cost, liability, or expense arising from Grantor's use of such chemicals, with or without Grantee's permission.

9.02. Grantor represents and warrants, to Grantor's actual knowledge (with no duty to investigate), that:

9.02.01. No Hazardous Materials are or have been generated, treated, stored, used, disposed of, or deposited in or on the Property in such manner as to violate or create any liabilities pursuant to any Applicable Laws, and

9.02.02. No underground storage tanks are located on the Property.

9.02.03. No governmental authority has given notice of violation or alleged violation of any Applicable Law relating to the operations or condition of the Property.

10. Extraction-Related Provisions.

10.01. Grantor must not:

10.01.01. Use the surface for any activity related to extracting hydrocarbons or other minerals on or below the surface, including storing hydrocarbons or other minerals. Minerals include not only hydrocarbons but also coal, lignite, uranium, ore, and any other substance that may be removed from the earth.

10.01.02. Remove topsoil or remove or mine sand, gravel, rock, or other materials, except Grantor may use such materials reasonably necessary to construct, maintain, and repair Roads on the Property or to conduct activities permitted under this instrument. Grantor may also permit archaeological digs supervised by qualified personnel.

10.01.03. Deplete, or extract surface or subsurface water, transfer surface or subsurface water rights for use off the Property, or otherwise to use water or water rights other than

in direct support of activities Grantor may, consistently with this instrument, otherwise engage in on the Property.

10.01.04. Sever from surface ownership of the Property the ownership of previously unsevered minerals or convey to another that is not bound by this instrument any severed mineral interest.

10.02. No party to this instrument may hereafter exploit any severed or unsevered minerals pertinent to the Property. Neither may any party hereto convey any mineral interest or executive right in minerals to another not bound by this instrument. This clause does not prevent a party to this instrument from accepting royalties, bonuses, delay rentals, or other sums due to the party from another with a previously existing right to exploit the minerals.

10.03. Even if all or part of the minerals are, as of the date this instrument, owned by someone not a party to this instrument, this instrument conveys to Grantee the right, to be held jointly with Grantor, to consent or not to any matter as to which Grantor's sole consent would otherwise be required. Grantor's and Grantee's joint right to consent is such that neither can consent without the joinder of the other.

10.04. Both parties acknowledge the restrictions on alienation and other provisions in this Section are reasonable, because mineral exploitation poses a risk to recharge into the Edwards Aquifer.

11. Water Flow-Related Provisions.

Grantor must not:

11.01. Alter natural water courses, lakes, ponds, marshes, or other water bodies, subject to Grantor's right to have stock tanks and other surface-water retention facilities, except for maintenance of permitted Roads.

11.02. Pollute the soil or surface or subsurface water or otherwise engage in activities materially detrimental to water purity or that could materially alter the natural water level or flow in or over the Property. This does not impair the right to use the wells permitted under this instrument for the purposes permitted under this instrument.

11.03. Otherwise, materially and adversely affect the quantity and quality of recharge percolating into the Edwards Aquifer from the Property.

12. Requests for Approval.

12.01. When Grantee's consent is needed for any purpose under this instrument, Grantor must submit requests in writing. The requests must set out all detail reasonably required by Grantee, including plans, specifications, and designs where appropriate. The request must include a timetable sufficiently detailed to permit Grantee to monitor progress. Grantor must not make changes or take action for which Grantee's approval is required, unless expressly authorized in writing by Grantee.

12.02. Grantee may consult with governmental agencies, nonprofit preservation and conservation organizations, and other advisors concerning appropriateness of any activity proposed under this Easement.

12.03. Grantee may exercise its approval rights in its reasonable discretion. Grantee must respond to a request by Grantor within 60 days of its receipt of the request. Grantee's

failure to respond timely is not approval of Grantor's request, but Grantee must not unreasonably withhold, condition, or delay its approval.

12.04. If Grantor does not begin approved actions within one year, the approval is void. Grantor may resubmit the request, but previous approval does not estop Grantee from denying approval on resubmission.

12.05. If Grantee is the City of San Antonio, in any case in which Grantee's consent or agreement is required under this instrument, other than for an amendment of this instrument, the consent or agreement may be given by the City Manager or the manager's designee without authorization of City Council. The manager's delegation of authority to a designee must be in writing. Grantee is not estopped by the actions of anyone to whom the manager's authority has not been delegated in writing. If the City of San Antonio no longer has a City Manager, the governing body of the City may designate an officer to give consents and agreements called for under this instrument. City Council's approval of this easement is approval of the delegation of this paragraph to the City Manager.

13. No Public Access.

Except as expressly provided, this easement creates no right of access to the general public.

14. Ownership Obligations.

Grantor is solely responsible to pay all taxes and assessments levied against the Property. Grantee has no responsibility to Grantor to maintain any part of the Property, except for improvements, if any, installed by Grantee.

15. Grantee's Rights.

15.01. In addition to other rights necessarily incident to Grantee's ability to further the Purpose of this easement, Grantee has the following rights regarding the Property:

15.01.01. The right to monitor the hydrology of the Edwards Aquifer and other water or geologic formations below the subject Property, subject, however, to the entry requirements set out below.

15.01.02. The right to enter the Property twice a calendar year to inspect to determine compliance with this easement. If Grantee finds a potential violation of this easement, Grantee may enter the Property as much as necessary to monitor the status of the problem, obtain evidence for enforcement, or correct the problem at Grantor's expense. In so doing, Grantee must not interfere unreasonably with Grantor's permitted uses of the Property.

15.01.03. The right to install, operate, and maintain Purpose-related monitoring equipment, including a continuous recording rain gauge at locations outside of Building Envelopes (unless Grantor approves in its sole discretion a location inside of a Building Envelope) that do not unreasonably interfere with Grantor's activities otherwise permitted under this easement. Grantee may install, operate, and maintain fences and other devices reasonably necessary to provide security for the monitoring equipment.

15.01.04. The right to drill, operate, and maintain monitoring wells at locations outside of Building Envelopes (unless Grantor approves in its sole discretion a location inside of a Building Envelope) that do not interfere unreasonably with Grantor's permitted uses of the Property. Grantee may install, operate, and maintain fences and other devices reasonably necessary to provide security for the monitoring wells.

15.01.05. The right to conduct research activities with appropriate research entities related to watershed management, water quality protection, or other similar purposes consistent with the Purposes of this easement. Grantee may also use the Property for educational purposes, including field trips related to natural science education, but not more often than once annually. Grantee must coordinate all such activities with the Grantor, and Grantee's right to conduct such activities are subject to Grantor's approval, which must not be unreasonably withheld.

15.01.06. The right to review and approve plans of the Grantor involving cave Structures and other sensitive hydrogeologic features on the Property.

15.01.07. The right to construct, operate, and maintain at mutually agreed locations outside of Building Envelopes (unless Grantor approves in its sole discretion a location inside of a Building Envelope) one or more recharge structures and associated facilities that do not unreasonably interfere with Grantor's permitted uses of the Property.

15.02. If Grantee's exercise of any rights under this Section 15 disturbs the Property, Grantee will use its good-faith efforts to restore the Property to its previous condition. This includes restoring fences and plugging abandoned wells according to applicable law. Grantee is responsible for maintenance of areas fenced by it, for equipment, structures or facilities it places on the Property, and for any contractor or individuals entering the Property pursuant to or in connection with Grantee's rights under this instrument. Except as expressly provided to the contrary, no approval or consent required under this section may be unreasonably withheld, conditioned, or delayed. Grantee will provide 72-hour advance, written notice to Grantor before entry, except when immediate entry is necessary or desirable to further the Purpose, to prevent, terminate, or mitigate a violation of this easement, or to fulfill Grantee's maintenance obligations under this instrument.

15.03. None of the enumerated rights imposes a duty on Grantee to exercise the right.

15.04. Grantor is responsible for remedying violations of this instrument, but Grantee has the right to prevent and correct violations through any means available at law or in equity, including injunction. If Grantee finds a violation, it may, at its discretion, take appropriate legal action or, at Grantor's expense, eliminate or ameliorate any material, continuing violation of this instrument, including any artificial condition that may materially impair the Purpose. Except when an ongoing or imminent violation might substantially diminish or impair the Purpose, Grantee must give Grantor 20-days' prior written notice before initiating action. If a violation cannot reasonably be corrected within 20 days, Grantee may allow Grantor a longer period that is reasonably necessary under the circumstances to correct the violation. In such case, Grantor must begin corrective action with the 20 days and thereafter diligently and continuously pursue complete correction in good faith. Nothing in this instrument requires Grantor to restore the Property after any act of God or other event over which Grantor had no control, but Grantor must permit Grantee to correct conditions caused by such events that impair quantity or quality of recharge. In so doing, Grantee must not interfere unreasonably with Grantor's permitted uses of the Property.

15.05. Grantor acknowledges that, once pollution enters the Edwards Aquifer, it may be impossible to undo the damage. Likewise, surface water that might percolate into the aquifer, but that Grantor wrongfully allows to run off, is irreplaceable. Further, loss of the Property and the Edwards Aquifer as natural phenomena cannot be compensated adequately by damages. Accordingly, the parties acknowledge that, in the case of a material, uncorrected

violation of this easement, Grantee has no adequate remedy at law. In such case, equitable relief generally and an injunction specifically are appropriate remedies.

15.06. Grantee has the right to recover all costs and expenses, including court costs and reasonably attorneys fees, incurred enforcing this easement.

15.07. Grantee's remedies are cumulative. Its exercise of one remedy is not an election of remedies and does not waive or limit other remedies. Failure to exercise a remedy on one or more occasions does not waive or limit use of the remedy on other occasions.

15.08. Grantee has discretion whether and how to enforce this easement. Grantee's delay in or forbearance from exercising rights under this easement does not waive the rights the exercise of which is delayed or forborne.

16. Alienation by Grantee.

16.01. This easement is in gross and is freely alienable by Grantee, subject to the following conditions:

16.01.01. The transferee must be both a "holder" under Section 183.001 of the Texas Natural Resources Code (as the same may be amended from time-to-time) and also a "qualified organization" under section 170(h) of the U.S. Internal Revenue Code.

16.01.02. The transferee must expressly assume the responsibilities of the grantee under this easement.

16.02. If Grantee ceases to exist or no longer qualifies as a holder under applicable law, the easement continues. On application by grantor or grantee, a court of competent jurisdiction must transfer Grantee's rights under this easement to a qualified organization having similar purposes that agrees to assume the responsibility. If more than one qualified entity competes for the role, the court should select the entity that, in the court's judgment, is best suited to assure accomplishment of the Purposes.

17. Alienation by Grantor.

The Property is freely alienable by Grantor, but Grantor must notify Grantee in writing at least 30 days before transfer. The notice must include the name of the buyer, the anticipated closing date, and evidence that the buyer has been given a copy of this easement. If Grantor transfers all the Property or a Parcel of it to more than one transferee, the joint transferees must, at the closing of the transfer to them, designate a single party to receive notices from Grantee and to give all approvals and consents to Grantee. If the joint transferees do not unanimously designate a contact for Grantee, Grantee may pick one at random with no liability to the other transferees. Grantor's transferees take subject to this instrument.

18. Amendment.

This easement may be amended only with the written consent of both Grantor and Grantee. Any amendment must be consistent with the Purposes of this easement and must comply with applicable law, including Sec. 170(h) of the Internal Revenue Code, as amended from time-to-time, and with Chapter 183 of the Texas Natural Resources Code, as amended from time-to-time. If the Grantee is the City of San Antonio, its consent to an amendment must be authorized by City Council or a successor governing body.

19. Termination, Condemnation.

19.01. The easement may be terminated by judicial declaration if condemnation or a change in conditions on or around the Property renders it impossible to substantially fulfill the Purposes of this easement.

19.02. Grantee's interest is a compensable property right. If some or all of the Property is condemned, Grantor and Grantee will divide the condemnation proceeds as follows. Grantor receives a share equal to the entire award multiplied times a fraction, the numerator of which is the value of the Property burdened by the easement and the denominator of which is the value of the Property unburdened by the easement. Grantee receives the rest of the award. Values are measured at the time of condemnation.

20. Interpretation.

This easement is to be interpreted under the laws of the State of Texas, resolving any ambiguities and questions of the validity of specific provisions to give maximum effect to its Purposes, without regard to which party was the drafter. This easement was fully negotiated, and no presumption exists against either party. Nothing in this easement excuses Grantor from compliance with any applicable law, rule, ordinance, or regulation.

21. Severability.

If any part of this agreement is found invalid or unenforceable, the finding does not affect the remainder.

22. Successor, Beneficiaries.

This easement inures to the benefit of and binds the heirs, representatives, successors, and permitted assigns of each party. No third party has the right to enforce any part of this easement.

23. Encumbrance by Grantor.

Grantor may encumber the Property (including consensual liens) after the effective date of this instrument, but all such encumbrances are subordinate to this easement.

24. Appropriations.

All obligations of the City of San Antonio under this instrument are funded through the City of San Antonio General Fund and are subject to the discretion of City Council whether to appropriate funding for any given year.

25. Notices from Governmental Authorities.

Grantor must deliver to Grantee copies of any notice of violation or lien relating to the Property received by Grantor from any government authority within five days of receipt. Upon request by Grantee, Grantor must promptly furnish Grantee with evidence of Grantor's compliance with the notice or lien, if compliance is required by law.

26. Easement Runs with the Land; No Merger.

This easement continues in perpetuity and runs with the land. It is binding upon Grantor and all those claiming by, through, or under Grantor. Any right, title, or interest granted in this instrument to Grantee passes to each successor and assign of Grantee and each following successor and assign, and the word "Grantee" includes all such successors and assigns. This easement survives unity of ownership of the fee and the easement.

27. Effective Date.

The effective date of this instrument is the date it is recorded in the real property records of the county in which the Property is located or, if the Property crosses county lines, in any county in which a portion of the Property is located.

TO HAVE AND TO HOLD, this easement unto the Grantee and its successors and permitted assigns forever. Without limitation, this easement conveys to Grantee all development rights in the Property not expressly retained by Grantor. Grantor conveys to Grantee an undivided interest in all mineral executive rights held by Grantor such that no exercise of the executive rights can be made without the joinder of both Grantor and Grantee. Grantor further conveys to Grantee the property right to enforce this instrument according to law. Grantor conveys to Grantee the property rights Grantor would otherwise have to perform activities limited or prohibited by this instrument. Grantor violates its obligations under this instrument if it violates any applicable law the observance of which would further the Purpose.

Grantor binds Grantor and Grantor's heirs, executors, administrators, and successors to warrant and forever defend all and singular this easement to Grantee and Grantee's heirs, executors, administrators, successors, and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof, but excepting the Reservations From and Exceptions to Warranty.

In Witness Whereof, the parties have caused their representatives to set their hands. By the signature of its representative below, Grantee manifests its acceptance of this easement.

Grantee:

City of San Antonio, a Texas
municipal corporation

Signature: _____

Printed
Name: _____

Title: _____

Date: _____

Grantor:

??????????????????

Signature: _____

Printed
Name: _____

Title: _____

Date: _____

Attest:

City Clerk

Approved as to Form:

City Attorney

State of Texas §

County of Bexar §

This instrument was acknowledged before me this date by _____,
_____ of the City of San Antonio, a Texas municipal corporation,
in the capacity therein stated and on behalf of that entity.

Date: _____

Notary Public, State of Texas

My Commission expires: _____

THE STATE OF TEXAS §

COUNTY OF BEXAR §

This instrument was acknowledged this date before me by /name of signer/, /office held/ of /corpname/, a Texas corporation, in the capacity therein stated and on behalf of that entity in the entity's capacity as general partner of /name of limited partnership/.

Date: _____

Notary Public, State of Texas

My Commission expires: _____

Attachment II

KOCH & KOCH LAND SURVEYORS, INC.
 P.O. BOX 246 707 FM 1796 D'HANIS, TEXAS 78850
 Office: 830-363-7331 Fax: 830-363-7441

FOR DEED TO THE NATURE CONSERVANCY OF TEXAS
 AND THE CITY OF SAN ANTONIO
4299.037 ACRE TRACT

THE STATE OF TEXAS)
 COUNTY OF UVALDE)

Field Notes of a perimeter/boundary survey of a 4299.037 acre tract
 of land, made for Blanco Springs Ranch, LLC, et. al.

Said 4299.037 acre tract of land lying and being situated on County
 Road No. 334, 12.6 miles northwest of Sabinal, in Uvalde County,
 Texas; about 22.4 miles N 35° E of the City of Uvalde, the County
 Seat; and containing acreages in the various original Surveys, as
 follows:

Sur. No.	Original Grantee	Abst. No.	Acres
E.Pt.270-1/2	H. B. Woodley (Cleo Davenport)	1873	66.386
272	G. B. & C.N.G. R.R. Co. (Mary J. Davenport)	1224	199.078
273	C.C.S.D. & R.G.N.G. R.R. Co.	562	634.417
274	C.C.S.D. & R.G.N.G. R.R. Co. (Mary J. Davenport)	1225	658.966
276	C.C.S.D. & R.G.N.G. R.R. Co. (A. J. Davenport & J. M. Fenley)	1460	684.455
313	C.C.S.D. & R.G.N.G. R.R. Co.	613	4.890
315	C.C.S.D. & R.G.N.G. R.R. Co.	614	344.077
316	C.C.S.D. & R.G.N.G. R.R. Co. (Raymond Davenport)	1630	10.804
339	B. S. & F.	646	283.210
340	B. S. & F. (William T. Chaney)	865	95.431
379	H.E. & W.T. R.R. Co.	684	616.883
W.5/16 380	H.E. & W.T. R.R. Co. (W. A. Kelley & Edward Bell)	1635	199.728
E.11/16 380	H.E. & W.T. R.R. Co. (Mary J. Davenport)	1227	43.047
977	G.C. & S.F. R.R. Co.	967	313.122
978	G.C. & S.F. R.R. Co. (John D. Fenley)	1593	100.454
1030	W. E. C. Kelley, Block TC	1484	32.894
1244	Enoch S. Phelps	399	11.195
Total Acres			4299.037

Said 4299.037 acre tract being in most part the north and west
 portions of the same lands referred to and described as 4596.893
 acres, as conveyed to Horton Ranch, Inc., by Eck Horton, et. ux.,
 by Warranty Deed dated December 4, 1984, and recorded in Vol. 260,
 Pages 171-173, of the Deed Records of said Uvalde County (further
 described as 4844 acres in "Portion III", Vol. 233, Pgs. 282-291,
 Deed Records). Said 4299.037 acre tract being bounded on the east,
 from north to south, by the following: 1.) the Rancho Viejo Cattle
 Company, Ltd. 2260.38 acre tract (as fenced), designated as "Tract
 1", as recorded in Vol. 422, Pages 537-544, of the Official Public
 Records of said County, 2.) the Tierra Prometida, Inc. 4210.65 acre
 tract, as recorded in Vol. 267, Pages 39-43, of the Deed Records of
 said County, 3.) the Stephen L. Horton, et. ux. 247.107 acre tract,

Cont. Page 2 of 7, Blanco Springs Ranch, LLC - 4299.037 Acre Tract.

as recorded in Vol. 237, Pages 793-796, of the Deed Records of said County, and 4.) the remainder of said Horton Ranch, Inc. 4596.893 acre tract; on the lower south by the L. B. Trulove Limited Partnership 1907.77 acres, as recorded in File No. 2006004999, of the Official Public Records of said County; on the lower west and upper south by the Robert O. and Betty L. Coleman 2896.8 acres, as recorded in Vol. 329, Pages 330-335, of the Deed Records of said County; on the upper west by the Henry B. Martin 3500 acre tract, as recorded in Vol. 302, Pages 710-726, and Vol. 309, Pages 156-168, of the Deed Records of said County; and on the upper north, from west to east, by the Henry B. Martin 1944.43 acre tract, as recorded in Vol. 319, Pages 784-791, of the Deed Records of said Uvalde County, and the said Rancho Viejo Cattle Company, Ltd. 2260.38 acre tract (as fenced). Said 4299.037 acre tract being more fully described by metes and bounds, as follows:

BEGINNING at the center of a 6" Steel Pipe 3-way fence corner post, at the common corner of the following four original surveys, viz.: the S.W. corner of said Sur. No. 273; the N.W. corner of the W. 1/2 of Sur. No. 98, T. T. McCommon & H. B. Woodley; the N.E. corner of Sur. No. 282, W. A. Crane; and the S.E. corner of Sur. No. 275, C.C.S.D. & R.G.N.G. R.R. Co.; in the east line of said Coleman 2896.8 acres, at the N.W. corner of said Trulove Ltd. Partnership 1907.77 acres; for the S.S.W. corner of said Horton 4596.893 acres, and the S.S.W. corner of this tract;

THENCE with fence, the east line of said Sur. No. 275, and the west line of said Sur. No. 273; along the east line of said Coleman 2896.8 acres, the lower west line of said Horton 4596.893 acres, and the lower west side of this tract, with the center of 2-7/8" Steel Pipe fence corner posts found at corners, as follows:

N 00° 24' 42" E 4279.50 ft.;
N 01° 34' 30" W 316.93 ft.; and

THENCE N 00° 09' 09" W 711.41 ft. to the center of a 2-7/8" Steel Pipe 3-way fence corner post, at the common corner of the following four original Surveys, viz.: the N.W. corner of said Sur. No. 273, the N.E. corner of said Sur. No. 275, the S.E. corner of said Sur. No. 276, and the S.W. corner of said Sur. No. 274; at the N.E. corner of said Coleman 2896.8 acres, for the southwest re-entrant corner of said Horton 4596.893 acres, and the southwest re-entrant corner of this tract;

THENCE with fence, along the north lines of said Sur. No. 275 and Sur. No. 270, Mary J. Davenport, respectively; the south lines of said Sur. No. 276 and the E. Pt. of said Sur. No. 270-1/2, respectively; along the north line of said Coleman 2896.8 acres, the westernmost and upper south line of said Horton 4596.893 acres, and the westernmost and upper south side of this tract, N 89° 48' 36" W 3905.00 ft. to the center of a 2-7/8" Steel Pipe fence post (end of new fence), for corner, and S 89° 58' 47" W, at 1519.81 ft. cross the west line of said Sur. No. 276, the east line of the E. Pt. of said Sur. No. 270-1/2 (at a point 6.02 ft. North of a 3" Cedar Post found at the common corner of the following four original Surveys, viz.: the N.W. corner of said Sur. No. 275, the N.E. corner of said Sur. No. 270, the S.E. corner of the E. Pt. of said Sur. No. 270-1/2, and the S.W. corner of said Sur. No. 276); total 2190.44 ft. to the center of a 2-1/2" Steel Pipe found at a 4-way cedar fence corner

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post, in the north side of said Coleman 2896.8 acres, at the S.S.E. corner of said Martin 3500 acre tract; for the W.S.W. corner of said Horton 4596.893 acres, and the W.S.W. corner of this tract; said 2-1/2" Steel Pipe being distant 7.51 ft. N 04° 14' 18" W of a rock mound found in the north line of said Sur. No. 270, at the S.W. corner of the E. Pt. of said Sur. No. 270-1/2, the S.E. corner of the W. Pt. of Sur. No. 270-1/2, J. C. Davenport;

THENCE leaving the north side of said Coleman 2896.8 acres; and with fence (unless noted), with the east side of said Martin 3500 acre tract, along the upper west side of said Horton 4596.893 acres, and the upper west side of this tract, with 5/8" Steel Pins set at fence corner posts, at corners (unless otherwise noted), as follows:

N 00° 09' 01" E, along the west line of the E. Pt. of said Sur. No. 270-1/2, the east line of the W. Pt. of said Sur. No. 270-1/2, 996.96 ft. to a 5/8" Steel Pin set at a south gap post, for corner;
N 00° 20' 37" E, diverging slightly easterly from said survey line, 1906.79 ft.;
N 00° 02' 20" E 1295.96 ft.;
N 06° 22' 16" E, at 173.44 ft. cross the north line of the E. Pt. of said Sur. No. 270-1/2, the south line of said Sur. No. 272, and thence entering and crossing said Sur. No. 272 (until noted); total 307.05 ft. to a "60-D" Nail set at a fence corner post, for corner;
N 41° 16' 25" E 1188.94 ft. to a "60-D" Nail set at a fence corner post, for corner;
N 02° 37' 44" W 1772.00 ft. to a 5/8" Steel Pin set at a south gate post, for corner;
N 03° 05' 00" W 796.31 ft. to a "60-D" Nail set at a 3-way fence corner post, for corner;
N 78° 31' 52" E 408.82 ft. to a "60-D" Nail set at a fence corner post, for corner;
N 78° 09' 01" E, at 294.00 ft. cross the north line of said Sur. No. 272, the south line of said Sur. No. 313, and thence entering said Sur. No. 313; total 627.32 ft. to a "60-D" Nail set at a fence corner post, for corner;
N 82° 29' 00" E 106.24 ft. to a Steel "T" Post found in solid rock, for corner;
N 87° 32' 59" E 56.16 ft. to the center of a 3" Steel Pipe fence corner post, for corner;
S 81° 22' 20" E 524.73 ft. to a "60-D" Nail set at a fence corner post, for corner;
S 89° 35' 34" E 510.61 ft. to a "60-D" Nail set at a fence corner post, for corner; said "60-D" Nail being distant 81.62 ft. N 88° 18' 59" W of a capped 5/8" Steel Pin found in a rock mound, stamped "272, 313, 315", in the west line of said Sur. No. 315, at the N.E. corner of said Sur. No. 272, the S.E. corner of said Sur. No. 313;
N 00° 19' 09" E 228.63 ft. to a "60-D" Nail set at a fence corner post, for corner;
N 00° 11' 34" W 690.71 ft. to a 5/8" Steel Pin set at a north gate post, for corner;
N 00° 03' 34" E 793.05 ft. to a Steel "T" post in fence, for corner;
N 01° 06' 03" E 164.68 ft. to a Steel "T" post in fence, for corner;
N 03° 20' 14" E 227.52 ft. to a "60-D" Nail set at a

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2-way fence corner post, for corner; said "60-D" Nail being distant 156.27 ft. N 22° 32' 35" W of a capped 5/8" Steel Pin found in a rock mound, stamped "313, 315, 316", in the east line of said Sur. No. 313, at the N.W. corner of said Sur. No. 315, the S.S.W. corner of said Sur. No. 316;

S 89° 24' 27" E, at 59.51 ft. cross the east line of said Sur. No. 313, the lower west line of said Sur. No. 316; total 1775.90 ft.;

S 89° 15' 46" E 1071.57 ft. to a 5/8" Steel Pin set at a west gate 3-way fence corner post, for corner;

S 89° 16' 37" E 1225.58 ft. to a 5/8" Steel Pin set at a 3-way fence corner post, in the lower east line of said Sur. No. 316, the upper west line of said Sur. No. 379, for corner; said 5/8" Steel Pin being distant 88.55 ft. N 02° 03' 15" W (along said survey line) of a capped 5/8" Steel Pin found in a rock mound, stamped "315, 316, 379", in the west line of said Sur. No. 379, at the N.E. corner of said Sur. No. 315, the S.E. corner of said Sur. No. 316;

N 00° 02' 29" W, with the lower east line of said Sur. No. 316, the upper west line of said Sur. No. 379 and the lower west line of said Sur. No. 977, respectively; at 888.48 ft. pass the N.N.W. corner of said Sur. No. 379, the S.W. corner of said Sur. No. 977; total 1796.99 ft. to a capped 5/8" Steel Pin found at a fence corner post, stamped "316, 977, & 1244", in the south line of said Sur. No. 1244, at the E.N.E. corner of said Sur. No. 316, the W.N.W. corner of said Sur. No. 977, for corner;

S 74° 17' 39" E, with the south line of said Sur. No. 1244, the lower north line of said Sur. No. 977; passing under electric transmission lines bearing S 31° 19' 25" E into this described tract, and passing the north terminal of County Road No. 334 (crossing this described tract), 566.27 ft. to a 5/8" Steel Pin set at a 3-way fence corner post, on the east side of said north terminal, for corner; said 5/8" Steel Pin being distant 454.79 ft. N 74° 59' 23" W (with said survey line) of a 1-1/4" re-bar found in a rock mound, 5.3 ft. northeast of an existing fence, at the S.E. corner of said Sur. No. 1244, the northwest re-entrant corner of said Sur. No. 977;

N 15° 36' 46" E, leaving said survey line and crossing the S.E. corner of said Sur. No. 1244 (until noted), 240.64 ft.;

N 04° 21' 53" E 416.94 ft.;

N 30° 00' 11" E 443.52 ft.;

N 57° 44' 26" E 255.43 ft.;

N 12° 44' 41" E, passing under electric transmission lines bearing S 85° 17' 29" E into this described tract, 317.95 ft.;

N 22° 12' 24" W, unfenced, with a water gap, crossing a mountain spring, 62.18 ft.;

N 39° 05' 03" E 127.90 ft. to a 5/8" Steel Pin set at a fence corner post, in the east line of said Sur. No. 1244, the upper west line of said Sur. No. 977, for corner; and

THENCE N 07° 10' 38" E, with said survey line, 1641.30 ft. to a 5/8" Steel Pin set at a 2-way fence corner post in said survey line, at the N.N.W. corner of said Sur. No. 977, the S.S.W. corner of Sur. No. 1029, T. C. R.R. Co.; in the upper east side of said Martin 3500 acre tract, at the S.S.W. corner of said Martin 1944.43 acre tract; for the N.N.W. corner of said Horton 4596.893 acres, and the N.N.W. corner of this tract;

THENCE leaving the east line of said Sur. No. 1244 and the upper east side of said Martin 3500 acre tract; and with fence, the lower south line of said Sur. No. 1029, with the upper north line of

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said Sur. No. 977 and a north line of said Sur. No. 1030, respectively (until noted); along the lower south side of said Martin 1944.43 acre tract and a south side of said Rancho Viejo Cattle Company, Ltd. 2260.38 acre tract (as fenced), respectively; with the upper north side of said Horton 4596.893 acres, and the upper north side of this tract, as follows:

S 89° 41' 44" E, at 2713.96 ft. cross the westernmost west line of said Rancho Viejo Cattle Company, Ltd. 2260.38 acre tract, at the N.W. corner of an 8.974 acre encroachment area encumbering and lying within the N.E. corner of this described tract (said encroachment area overlapping with said Rancho Viejo Cattle Company, Ltd. 2260.38 acre tract); at 2963.89 ft. pass the N.E. corner of said Sur. No. 977, the lower N.W. corner of said Sur. No. 1030; total 3014.50 ft. to a 1/2" Steel Pin found at a 3-way fence corner post (from which a 20" Cedar tree, marked x, bears S 25° W 9.2 ft.), at the S.E. corner of said Sur. No. 1029, the northwest re-entrant corner of said Sur. No. 1030; same being the S.E. corner of said Martin 1944.43 acre tract, a S.W. corner of said Rancho Viejo Cattle Company, Ltd. 2260.38 acre tract (as fenced), for corner;

S 88° 59' 33" E, now with the occupied fence between said Horton and said Rancho Viejo Cattle Company, Ltd. properties (until noted), entering said Sur. No. 1030, 496.95 ft. to a "60-D" Nail set at a fence corner post, for corner; and

THENCE N 59° 42' 32" E 488.60 ft. to a "60-D" Nail set at a fence corner post, at a southwest re-entrant corner of said Rancho Viejo Cattle Company, Ltd. 2260.38 acre tract (as fenced); for the N.N.E. corner of said Horton 4596.893 acres, and the N.N.E. corner of this tract;

THENCE with fence (unless noted), with the lower west side of said Rancho Viejo Cattle Company, Ltd. 2260.38 acre tract (in part as fenced), the upper west side of said Tierra Prometida, Inc. 4210.65 acre tract, the north and west sides of said Horton 247.107 acre tract, and the north and west sides of the remainder of said Horton 4596.893 acres, respectively; along the east side of said Horton 4596.893 acres (until noted), and the east side of this tract, with 5/8" Steel Pins set at fence corner posts, at corners (unless otherwise noted), as follows:

S 26° 49' 54" E 214.03 ft. to a "60-D" Nail set at a 24" Live Oak tree fence corner, for corner;

S 07° 38' 00" W 329.06 ft. to a "60-D" Nail set at a fence corner post, for corner;

S 14° 24' 24" E 765.61 ft. to a "60-D" Nail set at a fence corner post, for corner;

S 09° 14' 32" W, at 214.90 ft. cross a south line of said Sur. No. 1030, the north line of said Sur. No. 978, and thence entering and crossing said Sur. No. 978 (until noted); total 367.06 ft. to a capped 8" Nail Spike set in fence, at a southwest re-entrant corner of said Rancho Viejo Cattle Company, Ltd. 2260.38 acre tract; same being the S.E. corner of said 8.974 acre encroachment area;

S 09° 15' 59" W 256.68 ft. to a "60-D" Nail set at a fence corner post, for corner;

S 04° 57' 50" W 350.70 ft. to a "60-D" Nail set at a fence corner post, for corner;

S 09° 27' 28" E 515.14 ft.;

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S 09° 42' 36" E 709.35 ft.;
S 20° 15' 58" E 256.22 ft.;
S 27° 29' 44" E 235.81 ft.;
S 36° 33' 54" E 538.23 ft.;
S 29° 16' 42" E 260.62 ft.;
S 12° 02' 41" E, at 209.62 ft. cross the south line of
said Sur. No. 978, the north line of the E. 11/16 of said Sur.
No. 380; and thence entering the E. 11/16 of said Sur. No. 380;
total 271.30 ft.;
S 37° 26' 39" E 88.53 ft.;
N 88° 47' 07" E 215.39 ft. to a 5/8" Steel Pin set at a
dead Cedar tree stump 3-way fence corner, in the south line of said
Rancho Viejo Cattle Company, Ltd. 2260.38 acre tract, at the N.W.
corner of said Tierra Prometida, Inc. 4210.65 acre tract, for corner;
S 12° 25' 01" E, leaving said 2260.38 acre tract, and now
with the upper west side of said Tierra Prometida, Inc. 4210.65 acre
tract (until noted), 233.71 ft. to a 5/8" Steel Pin set at a 20"
Cedar tree, at the projection of two fences, for corner;
S 54° 40' 30" W, crossing a mountain drain, 56.44 ft.;
S 37° 26' 54" E 117.93 ft. to a 5/8" Steel Pin set at an
18" Cedar tree fence corner, for corner;
S 38° 41' 22" E 292.42 ft.;
S 03° 27' 52" W 323.20 ft.;
S 08° 07' 43" W 62.97 ft. to an 8" Nail Spike set in the
base of a 6" cedar fence corner post, in concrete, for corner;
S 15° 28' 38" W 1064.94 ft. to a 5/8" Steel Pin set at a
12" Cedar tree fence corner, for corner;
S 09° 15' 18" W, at 1624.08 ft. pass the center of a gate;
passing under electric transmission lines bearing S 66° 27' 19" W
into this described tract; at 2780.73 ft. cross the west line of the
E. 11/16 of said Sur. No. 380, the east line of the W. 5/16 of said
Sur. No. 380; at 3201.61 ft. cross the south line of the W. 5/16
of said Sur. No. 380, the north line of said Sur. No. 339, and
thence entering and crossing said Sur. No. 339 (until noted); total
3255.04 ft. to the center of a 2-7/8" Steel Pipe fence corner post,
for corner;
S 15° 44' 31" E 1489.32 ft. to the center of a 2-7/8"
Steel Pipe 3-way fence corner post, for corner;
S 15° 18' 20" E 4000.78 ft. to a 5/8" Steel Pin set at a
3-way fence corner post, in the north line of said Horton 247.107
acre tract, at a S.W. corner of said Tierra Prometida, Inc. 4210.65
acre tract, and the E.S.E. corner of this tract;
N 84° 50' 05" W, now with the north and west sides of said
247.107 acre tract (until noted), passing under electric transmission
lines bearing N 34° 09' 38" W into this described tract, 693.01 ft.
to the center of a 2-7/8" Steel Pipe fence corner post, on the east
side of a cattle-guard, for corner;
S 87° 14' 12" W, crossing said County Road No. 334,
49.12 ft. to the center of a 2-7/8" Steel Pipe fence corner post,
at the N.W. corner of said Horton 247.107 acre tract, for corner;
S 12° 53' 11" W, at 89.90 ft. cross the south line of said
Sur. No. 339, the north line of said Sur. No. 340, and thence
entering said Sur. No. 340; total 1660.88 ft. to a 5/8" Steel Pin set
in fence, for corner;
S 63° 02' 06" W, leaving the west line of said Horton
247.107 acre tract, and with fence, at 1839.52 ft. pass a 2-way fence
corner post from which fence bears south, and thence unfenced; at
2158.95 ft. cross the west line of said Sur. No. 340, the east line
of said Sur. No. 273; total 2623.64 ft. to a 5/8" Steel Pin set for

Cont. Page 7 of 7, Blanco Springs Ranch, LLC - 4299.037 Acre Tract.

corner; and

THENCE S 05° 02' 30" E, unfenced, at 747.55 ft. pass a 2-way fence corner post, from which fence bears northeast, and thence with fence; total 2581.94 ft. to the center of a 2-7/8" Steel Pipe 3-way fence corner post, in the south line of said Sur. No. 273, the north line of the E. 1/2 of Sur. No. 98, John K. Donnan; in the north side of said Trulove Ltd. Partnership 1907.77 acres, the lower south side of said Horton 4596.893 acres; at the S.W. corner of the remainder of said 4596.893 acres, for the S.S.E. corner of this tract;

THENCE with fence and the north side of said Trulove Ltd. Partnership 1907.77 acres; along the lower south side of said Horton 4596.893 acres, and the lower south side of this tract, as follows:

N 88° 29' 34" W, diverging slightly north from said survey line, 1959.30 ft. to the center of a 2-7/8" Steel Pipe fence post (east "H" brace);

N 88° 15' 41" W 2205.32 ft. to the center of a 6" Steel Pipe fence corner post, for corner; and

THENCE S 87° 49' 13" W, converging back toward said survey line, 1059.87 ft. to the place of BEGINNING:

NOTE: This described 4299.037 acre tract is subject to a portion of County Road No. 334, lying within and crossing its east and northeast portion, in a north/south direction, as noted herein.

NOTE: Bearings noted herein are true geodetic bearings based on Global Positioning System (GPS) observations.

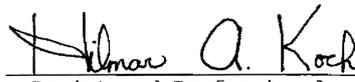
Surveyed: May 1 - 14, 2007, and January 11, 2008.

Field Crew Personnel: Spencer J. Burrell
Michael J. Koch

THE STATE OF TEXAS)
COUNTY OF MEDINA)

I, Hilmar A. Koch, a Registered Professional Land Surveyor of the State of Texas, do hereby state that the foregoing Field Notes description and accompanying plat correctly represent an actual survey made under by supervision, on the ground, on the dates given.




Registered Professional
Land Surveyor No. 2082