RR
10/16/14
Item No. 4A

AN ORDINANCE 2014-10-16-0786

AUTHORIZING THE ACQUISITION OF AN AQUIFER-PROTECTION CONSERVATION EASEMENT OVER AN APPROXIMATELY 1,521 ACRE TRACT OF LAND LOCATED IN COMAL COUNTY AND COMMONLY KNOWN AS "CRESCENT HILLS" FOR A CONTRIBUTION OF $5,000,000.00 OF PROPOSITION 1 FUNDS THROUGH A FUNDING AGREEMENT AMONG THE CITY, THE NATURE CONSERVANCY, BAT CONSERVATION INTERNATIONAL AND FORESTAR (USA) REAL ESTATE GROUP L.L.C.

* * * * *

WHEREAS, City staff, in consortium with The Nature Conservancy ("TNC"), Bat Conservation International ("BCI") and Forestar (USA) Real Estate Group L.L.C. ("Forestar") have agreed upon the terms and conditions of a Funding Agreement (the "Agreement") that provides a combined $20.5 million in funding to TNC for the purchase and acquisition of an aquifer-protection conservation easement on a 1,521 acre tract of land located in Comal County and commonly known as "Crescent Hills"; and

WHEREAS, by the terms of the Agreement, the City would receive an aquifer-protection conservation easement across the entirety of Crescent Hills for a $5 million contribution; and

WHEREAS, City staff has identified the Proposition 1 Edwards Aquifer Protection Program as a funding source for the $5 million contribution since the property is environmentally sensitive due to its water features; and

WHEREAS, on August 27th, the City's Conservation Advisory Board recommended the $5 million expenditure in Proposition 1 funds to acquire Crescent Hills and encumber it with an aquifer-protection conservation easement on behalf of the City; **NOW THEREFORE**:

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

SECTION 1. The terms and conditions of a Funding Agreement (the "Agreement") among the City, The Nature Conservancy, Bat Conservation International and Forestar (USA) Real Estate Group L.L.C. are hereby approved.

SECTION 2. The City Manager or her designee is authorized to execute the Agreement in accordance with this Ordinance. A copy of the Agreement, in substantially final form, is set out in **Attachment I.** The final Agreement shall be filed with this Ordinance upon execution.

SECTION 3. The City Manager or her designee is authorized to accept on behalf of the City the aquifer-protection conservation easement described below:

A conservation easement substantially in the form set out in **Attachment II** on Crescent Hills, the affected real estate being more particularly described in **Attachment III**.

SECTION 4. The City Manager or her designee are authorized and directed to consummate the transaction contemplated in the described easement and to take all other actions necessary or convenient to effectuate the transaction, including agreeing to the form of and executing all necessary or convenient instruments and agreements.

SECTION 5. Payment in the amount of the $5,000,000.00 in SAP Fund 40005000, Park Improvements, SAP Project Definition 40-00271, Edward's Aquifer Land Acquisitions, is authorized to be encumbered and made payable to Chicago Title Company, for land, due diligence and closing costs on a 1,521-acre tract of land known as the Crescent Hills located in Comal County, Texas. Payment is limited to the amounts budgeted in the Operating and/or Capital Budget funding sources identified. All expenditures will comply with approved operating and/or capital budgets for current and future fiscal years.

SECTION 6. 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 allocations 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 7. This Ordinance shall become effective immediately upon its passage by eight (8) votes or more and upon ten (10) days following its passage if approved by fewer than eight (8) votes.

PASSED AND APPROVED this 16th day of October, 2014.

M A Y O R
for Ivy R. Taylor

ATTEST:

Leticia M. Vacek
City Clerk

APPROVED AS TO FORM:

Robert F. Greenblum
City Attorney

Agenda Item:	**4A (in consent vote: 4A, 4B, 4C)**
Date:	10/16/2014
Time:	10:43:37 AM
Vote Type:	Motion to Approve
Description:	An Ordinance authorizing the acquisition of an aquifer-protection conservation easement over an approximately 1,521 acre tract of land located in Comal County and generally known as "Crescent Hills" for a contribution of $5,000,000.00 of Proposition 1 funds through a Funding Agreement among the City, The Nature Conservancy, Bat Conservation International and Forestar (USA) Real Estate Group L.L.C. for the acquisition of Crescent Hills for a total of $20,500,000.00.
Result:	Passed

Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Ivy R. Taylor	Mayor		x				
Diego Bernal	District 1		x				
Keith Toney	District 2		x				
Rebecca Viagran	District 3		x				
Rey Saldaña	District 4		x				
Shirley Gonzales	District 5		x				
Ray Lopez	District 6		x				
Cris Medina	District 7		x				
Ron Nirenberg	District 8		x			x	
Joe Krier	District 9		x				
Michael Gallagher	District 10		x				x

ATTACHMENT I

STATE OF TEXAS	§	**AGREEMENT FOR THE CONTRIBUTION**
	§	**OF FUNDS TO ACQUIRE REAL PROPERTY**
COUNTY OF BEXAR	§	**KNOWN AS CRESCENT HILLS**

This Funding Agreement for the Contribution of Funds to Acquire Crescent Hills (this "Agreement") is entered into among the City of San Antonio, a Texas Municipal Corporation (hereinafter referred to as "City") acting by and through its City Manager, The Nature Conservancy, a non-profit organization existing under the laws of the District of Columbia (hereinafter referred to as "TNC"), Bat Conservation International, Inc., a nonprofit corporation incorporated under the laws of the State of Texas (hereinafter referred to as "BCI") and Forestar (USA) Real Estate Group, Inc., a Delaware corporation, acting by and through its _____ (hereinafter referred to as "Forestar"). City, TNC, BCI and Forestar may be referred to herein collectively as the "Parties."

The Parties hereto severally and collectively agree, and by the execution hereof are bound, to the mutual obligations herein contained and to the performance and accomplishment of the tasks hereinafter described.

RECITALS

WHEREAS, the Parties desire to contribute funds towards the purchase of 1,521 acres of real property owned by 3009 Land, Ltd., a Texas limited partnership ("Seller"), that is located in Comal County and generally known as "Crescent Hills" and as more particularly described in "**Exhibit A**" (the "Property"), for the purpose of protecting natural resources and habitat; and

WHEREAS, following an appraisal of the Property and negotiations with the Seller, a sales price of $20.5 million has been agreed upon and an Option Contract to purchase the Property has been executed by TNC and the Seller ("Option Contract"); and

WHEREAS, this Agreement outlines the terms and conditions under which the Parties agree to contribute specified amounts, as detailed below, for the purpose of applying such contributions to the purchase of the Property, which shall be acquired in fee simple from Seller by TNC; **NOW THEREFORE**:

I. PURPOSE

1.1 The purpose of this Agreement is to establish the obligations of the Parties and the procedures by which the City, TNC, BCI and Forestar shall contribute funds for the purchase of the Property.

1.2 The Parties agree that the purchase of the Property is not a joint enterprise, joint venture or any other type of joint undertaking among the City, TNC, BCI and Forestar.

1.3 Notwithstanding Section 1.2 above, the Parties will cooperate to ensure the purchase of the Property is completed in a timely manner.

II. TERM

This Agreement shall commence on the date upon which the last signature is executed and shall continue in force until all funding obligations set forth herein are met by the City, TNC, and Forestar; provided, however, this Agreement shall terminate on January 30, 2015, in the event the acquisition of the Property by TNC does not close by such date. Notwithstanding the foregoing, the obligations of the Parties to be satisfied upon and after TNC's acquisition of the Property shall survive termination of this Agreement.

III. CITY OBLIGATIONS

3.1 City shall contribute Proposition 1 funding in the amount of FIVE MILLION DOLLARS AND 0 CENTS ($5,000,000.00) toward the purchase of the Property. The funds shall be wired to an account designated by TNC on a date designated by TNC, released to Seller by email approval from the City after the conditions set forth herein have been met, and shall be used only for the purpose of purchasing fee simple title to the Property.

3.2 City shall execute an Impervious Cover Credit and Variance Agreement ("ICC Agreement") ("**Exhibit B**") with Forestar for the provision of EIGHTY-SIX (86) impervious cover credit acres which shall be used in accordance with the terms and conditions of the ICC Agreement.

3.3 City shall execute a Third Amendment to the Declaration of Restrictive Covenants (the "Third Amendment")("**Exhibit C**") with Forestar associated with the Agreement for Services in Lieu of Annexation for Cibolo Canyon. The Third Amendment shall provide for an increase in the impervious cover restriction on the Cibolo Canyon property from 15% to up to 16.5% in accordance with the terms and conditions of the Third Amendment.

IV. TNC OBLIGATIONS

4.1 Subject to satisfactory due diligence and title review and its other policies and procedures, TNC shall exercise its option to purchase the Property in accordance with the terms and conditions of the Option Contract executed by TNC and Seller prior to the option exercise deadline in the Option Contract. The purchase price of the Property shall be no more than $20.5 million.

4.2 Subject to the receipt of the funding commitments and other terms and conditions of this Agreement and compliance with its policies and procedures, TNC shall be responsible for contributing the remaining funds for the purchase of the Property and shall complete such purchase prior to December 31, 2014, with closing anticipated for October 31, 2014.

4.3 Following TNC's acquisition of the Property and in consideration of the City's contributions, TNC and City shall execute the Aquifer Protection Conservation Easement substantially in the form attached hereto as "**Exhibit D**", which shall provide City with an easement across the entire Property, in accordance with the terms and conditions of the Aquifer

Protection Conservation Easement. The closing of the conveyance of this easement shall be coordinated directly between TNC and the Edwards Aquifer Protection Program of the City.

4.4 Following TNC's acquisition of the Property and execution of the Aquifer Protection Conservation Easement and in consideration of BCI's contributions, TNC shall transfer up to approximately 760 acres of the Property to BCI to have and hold in fee simple, the boundaries of which shall be determined by TNC and BCI ("BCI Tract"). A description of the BCI Tract is generally depicted in **Exhibit E,** however, generally, the BCI Tract will be adjacent to Bracken Cave and/or areas determined best to protect the flight path of the Mexican Free-Tailed bats which use Bracken Cave as a maternity colony. BCI's fee simple interest shall be subject to the Aquifer Protection Conservation Easement and other potential interests or restrictions pursuant to the requirements of other funding sources for the acquisition of the Property. The closing of transfer of the BCI Tract shall be coordinated directly between TNC and BCI.

4.5 TNC shall be responsible for the maintenance and operation of that portion of the Property that TNC will continue to own in fee simple after its conveyance of the BCI Tract in accordance with its policies and procedures.

V. BCI OBLIGATIONS

5.1 BCI shall contribute FIVE MILLION DOLLARS AND 0 CENTS ($5,000,000.00) toward the purchase of the Property. These funds shall be provided to TNC pursuant to a separate agreement between TNC and BCI and shall be used only for the purpose of purchasing fee simple title to the Property and related costs as provided in that agreement. The Parties acknowledge that all of the BCI funds may not be available for the closing of TNC's acquisition of the Property from Seller.

5.2 BCI shall be responsible for the maintenance and operation of the BCI Tract in accordance with its policies and procedures.

VI. FORESTAR OBLIGATIONS

6.1 Forestar shall contribute FIVE MILLION DOLLARS AND 0 CENTS ($5,000,000.00) toward the purchase of the Property in consideration of the City's execution of the ICC Agreement and Third Amendment. The funds shall be wired to a third-party escrow agent agreed upon by the Parties to hold and disburse in accordance with escrow instructions approved by the Parties.

6.2 Forestar shall execute the ICC Agreement with City for the provision of EIGHTY-SIX (86) impervious cover credit acres which shall be used in accordance with the terms and conditions of the ICC Agreement.

6.3 Forestar shall execute the Third Amendment associated with the Agreement for Services in Lieu of Annexation for Cibolo Canyon. The Third Amendment shall provide for an increase in the impervious cover restriction on the Cibolo Canyon property from 15% to up to 16.5% in accordance with the terms and conditions of the Third Amendment.

VII. PROJECT MANAGEMENT

7.1 Project Management. With the other Parties' cooperation and subject to its policies and procedures, TNC shall manage, oversee, administer and carry out all of the activities and services required for the purchase of the Property. TNC shall be responsible for meeting all applicable legal, regulatory, and code requirements for the purchase of the Property.

7.2 Timely Performance. The Parties will work together in good faith and cooperation to carry out the work expeditiously and to timely perform their respective duties.

7.3 No Endorsements. No endorsements by any Party may be expressed or implied in connection with this Agreement, and no Party shall have the right to use the trademark name or logo of any other Party without such respective Party's prior written consent.

VIII. FUNDING TRANSFERS

8.1 Wiring Instructions. TNC shall provide written instructions to the Parties for funds to be electronically transferred, which funds shall be released to Seller on the closing date of the acquisition of the Property by TNC as set forth above.

8.2 Use of Funds. The Parties agree that the funds shall be used only to purchase the Property and that each party shall not be required to pay more than the funds obligated in this Agreement.

8.3 Contributions by Other Entities. Other entities not a party to this Agreement may contribute to the purchase of the Property. Notwithstanding such contributions, the Parties may not deduct from their respective contributions any amounts. None of the Parties shall seek or claim a charitable contribution in connection with these contributions.

IX. FUNDS PLACED IN SEPARATE ACCOUNT

Accounting. Funds contributed by the City and Forestarshall be placed in a separate account(s) and released to Seller as set forth above to be used for the purchase of the Property. All funds contributed by the Parties must be exhausted and used only towards the purchase of the Property.

X. TERMINATION

10.1 Right of Parties to Terminate for Breach or Default

a. Upon a breach of a material term of this Agreement, the non-breaching Parties may terminate this Agreement upon the issuance of a written notice of breach (citing this paragraph) and a declaration that one or more Parties are in breach along with a statement describing the breach in the notice. Upon receipt of such notice, the breaching Party(ies) shall have ten (10) calendar days to cure the breach before such termination is effected.

b. This Agreement may also be terminated for default by any non-defaulting Party if there is a substantial failure to perform by any Party, through no fault of the terminating Party(ies). In order to terminate for default, the non-defaulting Party(ies) must issue a written notice of default (citing this paragraph) and a declaration that the other Party(ies) is/are in default along with a statement describing the default in the notice. Upon receipt of such notice, the non-defaulting Parties agree to provide a ten (10) calendar day period to cure the default before such termination is effected.

10.2 Continuation of Project. If this Agreement is terminated by any Party for any reason, the remaining Parties may continue with the purchase of the Property in their sole discretion. If such decision is made to continue, then this Agreement may be modified, altered, adjusted or revised, as needed, to accommodate the funding resources then available to enable the purchase of the Project.

10.3 Nonwaiver. Unless otherwise specifically provided for in this Agreement, a waiver by any Party of a breach of any of the terms, conditions, covenants or guarantees of this Agreement shall not be construed or held to be a waiver of any succeeding or preceding breach of the same or any other term, condition, covenant or guarantee herein contained. Further, any failure of any Party to insist in any one or more cases upon the strict performance of any of the covenants of this Agreement, or to exercise any option herein contained, shall in no event be construed as a waiver of relinquishment for the future of such covenant or option. No act or omission by a Party shall in any manner impair or prejudice any right, power, privilege, or remedy available to that Party hereunder or by law or in equity, such rights, powers, privileges or remedies to be always specifically preserved hereby.

XI. FISCAL MANAGEMENT AND AUDIT RIGHTS

Audit Conditions and Requirements. All City-funded projects and programs, including the purchase of the Property through Proposition 1 funds, are subject to periodic audits at any reasonable hour of the day by City's auditors or other City staff with reasonable advance notice for the retention period specified below. This includes the auditing of records in the possession of the other Parties that are directly related to the purchase of the Property.

XII. DOCUMENTS

12.1 Access. The Parties shall have access to final documents related to the purchase of the Property and shall receive copies of the executed documents upon request during the retention period specified below.

12.2 Records Retention. Each Party shall retain any and all documents produced as a result of the purchase of the Property for a period of three (3) years from the date of the purchase of the Property. If, at the end of the Retention Period, there is litigation or other questions arising from, involving or concerning this documentation, each Party shall retain the records until the resolution of such litigation or other such questions.

XIII. NOTICES

13.1 Formal Notice. Any notice, demand, or other communication required to be given or to be served upon any Party under this Agreement shall be in writing and delivered to the person to whom the notice is directed, either: (i) in person with confirmation; (ii) by United States Mail, as a registered or certified item with return receipt required; (iii) delivered by delivery service (including any express mail or overnight delivery service); or (iv) by confirmed facsimile or email transmission. Notices, demands, or other communications delivered by mail shall be deemed given and received when deposited in a post office or other depository under the care or custody of the United States Postal Service, enclosed in a wrapper, addressed properly, with proper postage affixed. Any notice, demand, or other communication given other than by certified or registered mail, return receipt requested, shall be deemed to have been given and received when delivered to the address of the Party to whom it is addressed as stated below:

To City:

City of San Antonio
P.O. Box 839966
San Antonio, Texas 78283-3966
Attn: Mike Etienne

With Copy to:
City of San Antonio
P.O. Box 839966
San Antonio, Texas 78283-3966
Attn: City Attorney's Office

To TNC:

The Nature Conservancy
Attn:_____
318 Congress Ave.
Austin, TX 78701
Fax (888) 203-5400
Email:_____

With Copy To:
The Nature Conservancy
Attn: Justin Rice, Senior Attorney
200 E. Grayson St. #202
San Antonio, TX 78215
Fax (888) 203-5400
Email: jrice@tnc.org

To BCI:

Bat Conservation International
Attn:
_____
_____
_____

To Forestar: General Counsel
Forestar (USA) Real Estate Group
6300 Bee Cave Road, Building 2, Suite 500
Austin, Texas 78746-5149

with copy to:

John K. Pierret, Executive Vice President
Forestar (USA) Real Estate Group
14755 Preston Road, Suite 710
Dallas, Texas 75254

13.2 Changes. A change of address or other contact information for any Party may be given by written notice as provided above.

XIV. MISCELLANEOUS

14.1 Recitals. The recitals are incorporated herein as matters of contract and not mere recitals.

14.2 Assignment. This Agreement cannot be assigned by any Party without the written consent of the non-assigning Parties.

14.3 Force Majeure. In the event any Party is unable in whole or in part by force majeure to carry out any covenant, agreement, obligation or undertaking to be kept or performed under this Agreement, the time for the performance of such covenant, agreement, obligation or undertaking so delayed shall be extended for the period of such delay. The Party claiming force majeure will make reasonable attempts to remedy the effects of the force majeure and continue performance under this Agreement with all reasonable dispatch. The term "force majeure" as employed in this section shall include acts of God, acts of terrorism, strikes, lockouts, or other industrial disturbances, acts of a public enemy, war, blockades, riots, epidemics, earthquakes, explosions, accidents, or repairs to machinery or pipes, the delays of carriers, or inability by reason of governmental regulation to obtain materials, acts of public authorities, or other causes, whether or not of the same kind as specifically enumerated, not within the control of the Party claiming suspension and which by the exercise of due diligence such Party is unable to overcome.

14.4 Entire Agreement. Except with respect to the separate agreement to be entered between TNC and BCI referenced in Section 5.1, this Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes any prior oral or written agreement. Any alterations, additions or deletions to the provisions herein shall only be by amendment in writing executed by both Parties.

14.5 Binding Agreement. This Agreement shall be binding on and inure to the benefit of the Parties hereto and their respective heirs, executors, administrators, legal representatives, and successors and assigns.

14.6 No Joint Venture; No Partnership. Nothing contained in this Agreement is intended by the Parties to create any form of joint venture or partnership, and any implication to the contrary is hereby expressly disavowed by both Parties. It is understood and agreed that this Agreement does not create a joint enterprise of any kind.

14.7 Third Party Beneficiaries. There shall be no third-party beneficiaries to this Agreement.

14.8 Governing Law; Venue. This Agreement will be governed by and construed in accordance with the laws of the State of Texas. Proper venue for any dispute or litigation shall be only in Bexar County, Texas.

14.9 Captions. The captions contained in this Agreement are for convenience of reference only, and in no way limit or enlarge the terms and/or conditions of this Agreement.

14.10 Invalid Provisions. If any clause or provision of this Agreement is held invalid, illegal or unenforceable, then it is the intention of the Parties that such invalidity, illegality or unenforceability shall not affect any other clause or provision herein and that the remainder of this Agreement shall be construed as valid.

14.11 Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, all of which taken together shall constitute one single Agreement among the Parties.

[Signature Page(s) to Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers on this the _____ day of _____ 2014.

For the **City of San Antonio:**

_____
Erik J. Walsh
Deputy City Manager
Date: _____

ATTEST:

_____
Leticia Vacek
CITY CLERK

APPROVED AS TO FORM:

_____
Robert F. Greenblum
CITY ATTORNEY

For **The Nature Conservancy:**

_____
Laura Huffman
Texas State Director
Date: _____

For **Bat Conservation International, Inc.**:

_____
Andrew B. Walker
Executive Director
Date: _____

for **Forestar (USA) Real Estate Group, Inc.**:

_____
Bruce Dickson
Chief Real Estate Officer
Date: _____

ATTACHMENT II

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 COMAL	§	

Conservation Easement

(Dierks Ranch)

Authorizing Ordinance:	
Grantor:	The Nature Conservancy, a District of Columbia non-profit corporation
Grantor's Address:	4245 N. Fairfax Dr., Suite 100, Arlington, VA 22203, with a local address of 318 Congress Ave., Austin, TX 78701(Travis County)
Grantee:	City of San Antonio, a Texas municipal corporation
Grantee's Address:	P.O. Box 839966, San Antonio, Bexar County, Texas 78283-3966 Attn: Director, Office of EastPoint & Real Estate (Bexar County)
Property:	1,521.259 acres, as more particularly described on **Exhibit A**.

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 ("Easement") in gross over the Property as of the Effective Date. This Easement is created under and is governed by Chapter 183 of the Texas Natural Resources Code, as amended, or its recodification. This Easement is enforceable by both the City of San Antonio, as Grantee, and by the Edwards Aquifer Authority (EAA) as a Third-Party Beneficiary of these restrictions.

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, Grantee, and the Edwards Aquifer Authority (EAA), as the Third-Party Beneficiary, wish to restrict development on the Property in furtherance of protecting indefinitely the quantity and quality of aquifer recharge.

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 Easement, 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, Grantee, and EAA have the common purpose of protecting the natural condition of the Property to further the Purposes of this Easement in perpetuity. The Property is adjacent to Grantor's Cibolo Bluffs Preserve (the "TNC Preserve") and the Bracken Bat Cave Preserve (the "BCI Preserve") owned by Bat Conservation International, Inc., a Texas non-profit corporation ("BCI")(collectively, the TNC Preserve and BCI Preserve are the "Adjacent Nature Preserves").

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

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1. Basic Information.

Maximum Number of Parcels:	Two (2)
Maximum Number of Building Envelopes:	Two (2) for each Parcel.
No-Development Zones:	As more particularly described on **Exhibit B**. Structures identified in the Report need not be removed.
Maximum Increased Impervious Cover:	331,330.21 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:	Eight (8) active wells
Report:	The Easement Documentation Report dated October 2014, prepared by Pape-Dawson Engineers, Inc., relating to the Property, as shown on **Exhibit C.**
Exceptions to and Reservations from Warranty:	As shown on **Exhibit D.**

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

2. Exhibits.

Exhibit A	Description of Property
Exhibit B	No-Development Zones

Exhibit C Easement Documentation 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 aquifer recharge. In furthering the Purpose, the parties restrict numerous activities on the Property and seek to ensure that the Property remains forever in approximately the same natural state in which it now exists, except as otherwise provided. In addition to the specific limitations and requirements of this instrument, Grantor must at all times use its reasonable best efforts to prevent impairment of quality or quantity of aquifer recharge.

4. Definitions.

4.01. Building Envelope means an area set aside within the Property in which Structures may be built or added. 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. This would include traps to control problem animals or pests.

4.03. Development means any increase in Impervious Cover as defined in 4.06, removal of vegetation, or mechanical tillage of the soil. This definition includes cultivation, earthmoving, land forming, land grading, and land planing.

4.04. 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 (PCBs); (vi) or 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, the term "Applicable Laws" means all laws, statues, ordinances, regulations, and judicial rulings now or hereafter adopted by any governmental authority with jurisdiction over the Property.

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

4.06. 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 Property. Mobile homes, motor homes, and travel trailers of all types count as Impervious Cover.

4.07. Confined Animal Feeding Operation means agricultural operations in which livestock or wildlife is confined for at least 45 days in any 12-month period in a corral or similar enclosure in which most of the animals' nutrition is provided artificially.

4.08. 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) or resulting from any water wells, equipment, improvements or facilities constructed or installed pursuant to the exercise of the rights by Grantee or Third-Party Beneficiary hereunder.

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

4.10. Parcel means a distinct, contiguous tract resulting from a division, subdivision, or partition of the Property allowed under this Easement. A parcel includes any tract resulting from a subdivision plat, conveying part of the Property to another, or other arrangement creating characteristics of a subdivision. Creation of undivided interests in the Property does not create a division, subdivision, or partition. Notwithstanding the foregoing, one (1) Parcel of the Property may consist of 2 non-contiguous tracts as long as such tracts remain under common ownership.

4.11. Road means any route traveled by a motorized vehicle which route has been improved through the use of base or other material that would materially impair the recharge capability of the Property. Unimproved trails or paths that do not materially diminish the recharge capability of the Property or paths made by leveling native or Indigenous soil and rock do not constitute a Road or count as Impervious Cover.

4.12. Structure means anything built on or added to the Property, excluding fences, Hunting Blinds, Feeders, water wells, and utility poles constructed or installed by Grantee and any water wells, equipment, improvements, or facilities constructed or installed pursuant to the exercise of the rights by Grantee or Third-Party Beneficiary hereunder.

4.13. Temporary Impervious Cover means any non-permanent Structure typically used to provide protection from the elements (i.e. tents, awnings, etc.).

4.14. Exotic means not naturally occurring in the Edwards Plateau or South Texas Plains eco-region.

4.15. Indigenous means naturally occurring in the Edwards Plateau or South Texas Plains eco-region.

4.16. Fertilizer means any synthetically produced or manufactured fertilizer. Processed organic fertilizers, such as compost, and naturally occurring fertilizers, such as peat or manure, are not considered to be a synthetically produced or manufactured fertilizer and do not fall under this term.

4.17. Third-Party Beneficiary means the Edwards Aquifer Authority (EAA) having those third-party rights of enforcement as defined in the Texas Natural Resources Code §183.001. For notice purposes, the address of EAA is: 900 E. Quincy, San Antonio, TX 78215. The rights of the Third-Party Beneficiary are further explained in Section 28 of this Easement.

5. Development-Related Provisions.

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

5.02. Grantor must not:

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

5.02.02. Divide, subdivide or otherwise partition the Property into more Parcels than allowed by the Maximum Number of Parcels.

5.02.03. Except as otherwise expressly allowed by this Easement, build any Structure outside a Building Envelope, build any Structure higher than three stories (except for antenna towers), 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 (and construct the necessary infrastructure for such easements) reasonably necessary to service and to permit access to Parcels and Building Envelopes allowed under this Easement, including between the Parcels and the Adjacent Nature Preserves.

5.02.06. Except as otherwise provided in this Easement or as reasonably necessary to conduct activities permitted under this Easement, 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 or Third-Party Beneficiary for monitoring or other purposes and not used primarily 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 that might, as a reasonably expected incident of its conduct, materially impair the quantity or quality of aquifer recharge. For example a nature or visitors center that does not exceed 5,000 square feet is acceptable. Acceptable activities include birding tours, guided hikes or scouting retreats, so long as such activity does not result in conduct that would materially impair the quantity or quality of aquifer recharge.

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 staff, family and guests on the Property.

5.03.02. Maintain, restore, remove and rebuild any Structure 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, along with operation and use of the Property as a nature preserve, consistent with other applicable express provisions of this Easement.

5.03.04. Allow short-term use of Temporary Impervious Cover, such as tents or awnings, outside Building Envelopes and outside No-Development Zones for up to 30 days. Any use lasting longer than 30 days is not short-term, and once removed, the Temporary Impervious Cover cannot be re-erected for at least 90 days after removal. Temporary Impervious Cover must not 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 Easement, Grantor may propose Building Envelope locations to Grantee. Grantor's requests for Building Envelope locations are handled according to the Section 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 Grantor wishes to change a Building Envelope, in addition to following the process for designation of any Building Envelope, Grantor must ensure 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.

5.05. With Grantee's permission, Grantor may erect cell towers and other antennas outside No-Development Zones, but all such items are subject to the maximum increase in impervious cover.

6. Agriculture-Related Provisions.

6.01. Grantor must not:

6.01.01. Operate a commercial feedlot, poultry farm, or similarly Confined Animal Feeding Operation. This provision shall not be construed to restrict the holding and feeding of Grantor's livestock or wildlife in a confined feeding area in connection with gathering, birthing, transporting, caring for or doctoring livestock or wildlife, nor does the term apply to corrals or other holding areas for horses, wildlife or other livestock used by Grantor.

6.01.02. Operate a horticultural nursery, except this shall not apply to native plant and seed harvest, planting or nurseries for habitat restoration and enhancement purposes.

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

6.02.01. Grow crops, including wildlife food plots, in fields identified in the Report or approved by Grantee.

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

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

6.02.04. 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.

6.02.05. Foster the presence of wildlife on the Property and conduct habitat restoration and enhancement activities on the Property otherwise in accordance with the provisions of this Easement.

6.03. For so long as the activities are conducted in such a way as not to materially impair the Purposes of this Easement, Grantor may graze livestock, commercial wildlife, or Exotic game, but only according to a Grantee-provided plan, a United States Department of Agriculture Natural Resource Conservation Service-provided plan (NRCS Plan), or a Texas Parks and Wildlife Department-provided wildlife management plan (TPWD Plan), or a plan provided by a qualified range management specialist, so long as the activities in the provided plan are consistent with the terms of this Easement. Any NRCS Plan, TPWD Plan, or range management specialist plan must be reviewed and approved by Grantee before it may be implemented to assess compliance with the terms of this Easement. If either the United States Department of Agriculture Natural Resource Conservation Service or the Texas Parks and Wildlife Department ceases to exist or ceases to provide such plans, Grantee may designate an alternative, similarly qualified authority to provide grazing and wildlife management plans.

7. Vegetation-Related Provisions.

7.01. Grantor must not:

7.01.01. Plant Exotic vegetation on the Property, except for in Building Envelopes and fields permitted under this Easement or subsequently by Grantee.

7.01.02. Plow or use Fertilizers, except in fields or food plots permitted under this Easement or shown in the Report, or approved subsequently by Grantee.

7.01.03. Cut or remove vegetation outside Building Envelopes, except Grantor may, without restriction and anywhere on the property, 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 Indigenous or Exotic vegetation to further the Purpose, in Building Envelopes, and as may be reasonably necessary to conduct

activities permitted under this Easement, but in so doing, it must minimize erosion and must not otherwise materially impair the Purpose.

7.02. For so long as the activities are conducted in such a way as not to materially impair the Purposes of this Easement, Grantor may manage resources on the land as follows:

7.02.01. Control brush anywhere on the property according to a United States Department of Agriculture Natural Resource Conservation Service-provided plan (NRCS Plan), a plan provided by a qualified range management specialist, or Grantee-provided plan, or participate in other NRCS Technical Assistance Programs designed to assist in conservation planning, so long as the activities in the provided plan are conducted so as not to materially impair the Purpose and are consistent with the terms of this Easement. Any such plan or program must be reviewed and approved by Grantee before it may be implemented to assess compliance with the terms of this Easement. If the NRCS ceases to exist or ceases to provide such plans, Grantee may designate an alternative, similarly qualified authority to provide brush control and conservation management plans.

7.02.02. Cut firewood for use on the Property.

7.02.03. Create firebreaks up to a width not to exceed three times the height of the adjacent vegetation.

8. Vehicle-Related Provisions.

8.01. 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, nature preserve and wildlife management operations, educational programs and maintenance of the Property. No such use may materially impair the Purpose.

8.02. In no event may the Property be used for commercial off-road or rally purposes for any motorized vehicles. This restriction includes, but is not limited to: cars, trucks, motor-bikes, motorcycles and ATVs.

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

9.01. Grantor must not:

9.01.01. Store chemicals (except those for activities permitted under this Easement) 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 Easement. 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 aquifer. Grantor may burn domestic waste as defined in Title 30, Texas Administrative Code, Section 101.1(26) in a container or earthen pit so long as all burning is compliant with Title 30, Texas Administrative Code, Section 111 generally and Section 111.209 specifically (as may be amended) and all other laws,

ordinances, or regulations pertaining thereto. Any such container or earthen pit must be either identified in the Easement Documentation Report or located within a Building Envelope and outside of a No-Development Zone. 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. Above ground propane tanks and small, removable containers for the temporary storage of petroleum products may be used on the Property for permitted activities as long as properly contained and situated so as not to pose a material degradation threat to the quality of water entering the aquifer. Upon completion of use, any such tanks and removable containers will be removed from 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, or in a Grantee-approved plan.

Grantee's list may change from time to time and may impose time, quantity, and use restrictions. While the City of San Antonio is the Grantee, the City Manager or City Manager's designee may alter the list without further action or authorization by City Council. Grantor's use of chemicals must conform to the best practices at the time the issue arises, and Grantor must not allow permitted materials to leak into or otherwise pose a material degradation threat to groundwater quality. 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.

9.03. Nothing in this Easement shall be construed as giving rise to any right or ability in Grantee to exercise physical or managerial control over the day-to-day operations of the Property, or any of Grantor's activities on the Property, or otherwise to become an operator with respect to the Property within the meaning of The Comprehensive Environmental Response, Compensation, And Liability Act of 1980, as amended ("CERCLA"), any other applicable federal laws, federal regulations, state laws, county and local ordinances, and any regulations thereunder, all as may be amended from time-to-time.

10. Extraction-Related Provisions.

10.01. Grantor must not:

10.01.01. Use the surface of the Property 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. Extract surface or subsurface water, transfer surface or subsurface water rights for use off the Property, or otherwise use water or water rights other than in direct support of activities Grantor may, consistently with this Easement, otherwise engage in on the Property; provided, that water from the Property may be used on the Adjacent Nature Preserves with the Grantee's prior written consent, and when in compliance with applicable law, rules or regulations for such use.

10.01.03. Extract and discharge groundwater at volumes greater than allowed by the more restrictive of the governing groundwater district or by other applicable federal, state, or local laws and regulations.

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 Easement any severed mineral interest.

10.02. Despite any other provision of this Easement to the contrary, soil, sand, caliche, gravel, or rock may be removed from the surface of the Property so long as such removal:

(A) is solely for use on the Property (or on the Adjacent Nature Preserves with the Grantee's prior written consent) and for non-commercial purposes, such as, for example, construction, maintenance, and repair of a Road on the Property,

(B) is in conjunction with activities permitted herein,

(C) is accomplished in a manner that does not materially impair the Purpose,

(D) is limited to no more than two one-acre removal sites on the Property at any one time, with no more than ten such sites ever created unless otherwise approved by Grantee, and

(E) that any area so disturbed is restored and replanted as appropriate with native vegetation at the conclusion of the removal activity and prior to the creation of any new removal site if a new removal site will exceed the limit of no more than two (2) such sites at any one time.

(F) is not within 500 feet of a recharge feature identified in the Report.

10.03. Any activity permitted under this paragraph must be undertaken and this provision must be interpreted in a manner consistent with Section 170(h) of the United States Internal Revenue Code and the Treasury Regulations adopted pursuant thereto.

10.04. No party to this Easement may hereafter extract 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 Easement. This clause does not prevent a party to this Easement from accepting royalties, bonuses, delay rentals, or other sums due to the party from another with a previously existing right to extract the minerals.

10.05. Grantor may also permit archaeological digs and perform karst, geological, and hydrological surveys, monitoring, exploration and restoration that are supervised by qualified personnel for so long as they are conducted in a manner so as not to materially impair the Purpose.

10.06. If any of the minerals under the Property ("Minerals") are, as of the date of this Easement, owned by someone not a party hereto and if some or all of those Minerals are later acquired by Grantor (or the then owner of the Property), then the Minerals so-acquired immediately become subject to this Easement. This Easement conveys to Grantee the right, to be held jointly with Grantor, to consent or not to any matter pertaining to the Minerals so acquired for 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 joinder of the other.

10.07. Both parties acknowledge that the restrictions on alienation and other provisions in this Section are reasonable, because mineral exploitation poses a risk to aquifer recharge.

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 during stream restoration or bank stabilization projects and during 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 Easement for the purposes permitted under this Easement.

11.03. Otherwise, materially and adversely affect the quantity and quality of aquifer recharge.

12. Requests for Approval.

12.01. When Grantee's consent is needed for any purpose under this Easement, Grantor must submit all such requests to Grantee 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 or disapproval rights in its reasonable discretion. Grantee must respond to a request by Grantor within 60 days after the date of Grantee's receipt of the written request, such approval or disapproval being exercised in light of the nature of such 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 after the date on which Grantee grants its written approval, the approval is void. Grantor may resubmit the request, but previous approval does not estop Grantee from denying approval on resubmission.

12.05. In any case during such time as the City of San Antonio is the Grantee and the Grantee's consent or agreement is required under this Easement, other than for an amendment of this Easement, 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 Easement. City Council's approval of this Easement is approval of the delegation of authority to the City Manager contained in this paragraph.

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 and to determine compliance with this Easement. If Grantee finds a potential violation or breach 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. Grantee shall use its reasonable efforts to assure that its entry corresponds with a time that is both timely and convenient for Grantor.

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 (which specifically includes the EAA) 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 is 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, any Structure 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 Easement. 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 Easement.

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 Easement, 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 Easement, 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 within the 20 days and thereafter diligently and continuously pursue complete correction in good faith. Nothing in this Easement requires Grantor to restore

the Property after any act of God or other event over which Grantor had no control (which shall not be considered violations), but Grantor must permit Grantee or Third-Party Beneficiary upon Grantee or Third-Party Beneficiary request to correct conditions caused by such events that impair quantity or quality of recharge. In so doing, Grantee or Third-Party Beneficiary must not interfere unreasonably with Grantor's permitted uses of the Property.

15.05. Grantor acknowledges that, once pollution enters an 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 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 and/or Third-Party Beneficiary has the right to recover all costs and expenses, including court costs and reasonable attorneys fees, incurred in enforcing this Easement. In the event this Easement is assigned by the City of San Antonio to an entity which is not prohibited from incurring future unfunded debt, then the prevailing party in any dispute regarding this Easement, has the right to recover all costs and expenses, including court costs and reasonable 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 and/or Third-Party Beneficiary has discretion whether and how to enforce this Easement. Grantee's and/or Third-Party Beneficiary'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. Discretionary Consent.

Grantee's consent for activities otherwise prohibited by this Easement may be given under the following conditions and circumstances. If, owing to unforeseen or changed circumstances, any of the prohibited activities listed in this Easement are deemed desirable by both Grantor and Grantee, Grantee may, in its sole discretion, give consent for such activities, subject to the limitations herein. Such requests for consent for otherwise prohibited activities, and consent for such activities requiring Grantee's discretionary consent shall be in writing and shall describe the proposed activity in sufficient detail to allow Grantee to judge the consistency of the proposed activity with the purpose of this Easement. Grantee may give its consent only if it determines, in its sole discretion, that such activities (1) do not violate the Purpose of this Easement, and (2) enhance or do not materially impair any significant conservation interests associated with the Property.

17. Alienation by Grantee.

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

17.01.01. 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.

17.01.02. The transferee must expressly assume the responsibilities of the Grantee under this Easement.

17.02. 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.

18. Alienation by Grantor.

The Property is freely alienable, in whole or in part, by Grantor, but Grantor must notify Grantee and Third-Party Beneficiary 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 Easement. This authorization of partial alienation does not authorize more than the maximum number of Parcels.

19. Amendment.

This Easement may be amended only with the written consent of Grantor,Grantee and Third-Party Beneficiary. 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, in accordance with the City of San Antonio Conservation Easement Amendment Policy ("Policy"). Grantor, upon written request to Grantee, may obtain a copy of the most recent version of such Policy.

20. Termination, Condemnation.

20.01. 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.

20.02. Grantee's interest is a compensable property right. If some or all of the Property is condemned or sold in lieu of condemnation, Grantor and Grantee will divide the condemnation proceeds (which, by definition, include proceeds from a sale in lieu of condemnation) 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.

21. 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.

22. Severability.

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

23. Successor, Beneficiaries.

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

24. Encumbrance by Grantor.

Grantor may encumber the Property (including consensual liens) after the effective date of this Easement, but all such encumbrances are subordinate to this Easement. Grantor further acknowledges that Subordination Agreements for liens or similar encumbrances existing as of the Effective Date of this Easement have been, or will be, secured and filed of record as of such Effective Date.

25. Appropriations.

All obligations of the City of San Antonio under this Easement 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.

26. 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 (5) 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.

27. Easement Runs with the Land; No Merger.

This Easement continues in perpetuity and runs with the land (referred to as "Property" in this Easement). It is binding upon Grantor and all those claiming by, through, or under Grantor. Any right, title, or interest granted in this Easement 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.

28. Third-Party Beneficiary Rights.

This Easement creates rights of Third Party Beneficiary enforcement by the EAA. To accomplish the Purpose of this Easement, the following rights are conveyed to the Third-Party Beneficiary by this Easement:

28.01. Right to Protect. The right to preserve and protect the conservation values of the Property in accordance with the terms of this Easement.

28.02. Right of Entry. The same right to enter the Property as enjoyed by Grantee pursuant to Section 15.01.02 for inspecting and determining compliance with this Easement by Grantor and otherwise in accordance with the provisions of Section 15. The Third-Party Beneficiary shall also enjoy the other rights of Grantee specifically enumerated in Section 15.1 with the prior written consent of Grantor and Grantee, which consent shall not be unreasonably withheld, and otherwise in accordance with the provisions of Section 15.

28.03. Enforcement. The Third-Party Beneficiary shall have the right to enforce the terms of this Easement, the right to prevent any activity on or use of the Property that is in violation of this Easement, and to require the restoration of such areas or features of the Property that may be damaged by any such violation, to the extent of and in accordance with the Grantee's rights of enforcement under Section 15. The Third-Party Beneficiary shall consult with the Grantee prior to exercising this right of enforcement unless the Third-Party Beneficiary determines in its reasonable discretion that the circumstances require immediate action to prevent, terminate or mitigate a material impairment of the quantity or quality of aquifer recharge or a significant violation of this Easement.

28.04. Notice. Notwithstanding any other provisions found in this Easement, in the event that approval or consent by Grantee or request or notice by Grantor is expressly required under this Easement, Grantor shall provide the Third-Party Beneficiary with a copy of any such request or notice by Grantor and Grantee's response thereto.

28.05. Personal to EAA. The rights granted herein to the Third-Party Beneficiary are personal to the Edwards Aquifer Authority and may not be assigned or assumed by a third party without the prior written consent of Grantor and Grantee.

29. Effective Date.

The effective date of this Easement 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 one-half 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 and otherwise in accordance with the provisions of this Easement. Grantor further conveys to Grantee the property right to enforce this Easement according to law. Grantor conveys to Grantee the property rights Grantor would otherwise have to perform activities limited or prohibited by this

Easement. Grantor violates its obligations under this Easement if it violates any applicable law the observance of which would further the Purpose.

Grantor further makes subject to this Easement all the following interests, collectively called "Excess Lands": (1) all interest, if any, in excess lands or vacancies (within the meaning of subchapters E and F of Chapter 51 of the Texas Natural Resources Code, as may be amended from time to time) presently held or later acquired by Grantor; (2) all interest in strips or gores between the Property and abutting properties and acreage in adjoining surveys to which Grantors' predecessors in title have superior right; (3) any land lying in or under the bed of any road or highway, opened or proposed, abutting or adjacent to the Property; (4) any land lying in or under the bed of any creek, stream, or river, if any, running through or abutting or adjacent to the Property; and (5) all interests in real property within the boundaries of this Easement title to which is later acquired by Grantor.

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 administrators, successors, and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof, but excepting the Exceptions to and Reservations From 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.

Grantor:	**Grantee:**
The Nature Conservancy	**City of San Antonio**, a Texas municipal corporation
Signature:_____	Signature:_____
Printed Name:_____	Printed Name:_____
Title:_____	Title:_____
Date:_____	Date:_____

Approved as to Form:

_____
City Attorney

STATE OF TEXAS §

COUNTY OF_____ §

This Easement was acknowledged this date before me by _____ ofThe Nature Conservancy, a District of Columbia non-profit corporation, in the capacity therein stated and on behalf of such entity.

Date:_____

_____
Notary Public, State of Texas

My Commission expires:_____

STATE OF TEXAS §

COUNTY OF _____ §

This Easement 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 such entity.

Date:_____

_____
Notary Public, State of Texas

My Commission expires:_____

ATTACHMENT III

FIELD NOTES
FOR

A 1521.259 acre, or 66,266,030 square feet more or less, comprised of a 158.5 acre tract of land described in Document No. 200606048897, a remainder of a 227.7 acre tract of land described in Document No. 200606054523, a 60.02 acre tract described in Document No. 200606054538, a 23.01 acre tract described in Document No. 200706010785, and the remaining portion of a 2,309 acre tract of land described in Document No. 200706010784 all of the Official Public Records of Comal County, Texas, out of the Toribio Losoya Survey 571, Abstract 355, the Clemente Bustillo Survey 446 ½, Abstract 76 the James Hamilton Survey 90, Abstract 267, the Joseph Thompson Survey 758, Abstract 614, the William Clarey Survey 759, Abstract 96, the J.M. Steiner Survey 359, Abstract 573, J.M. Steiner Survey 359 ½ Abstract 574, the Nicolaus Zuercher Survey 630, Abstract No. 690 all of Comal County, Texas. Said 1521.259 acre tract being more fully described as follows, with bearings based on the North American Datum of 1983 (CORS 1996), from the Texas Coordinate System established for the South Central Zone:

BEGINNING: At a found ½" iron rod with a yellow cap marked "Pape-Dawson", the north corner of said 158.5 acre tract, the east corner of a remainder of a 577.1 acre tract described in Volume 7017, Page 13 of the Official Public Records of Bexar County, Texas, a point in the west right-of-way line of F.M. 3009, a variable width right-of-way;

THENCE: S 38°20'28" E, along and with the southwest right-of-way line of said F.M. 3009, the northeast line of said 158.5 acre tract, a distance of 174.45 feet to a found ½" iron rod, the north corner of a called 5.00 acre tract recorded in Volume 785, Pages 154-155 of the Official Records of Comal County, Texas;

THENCE: S 47°13'35" W, departing the southwest right-of-way of said FM 3009, along and with the northwest line of said called 5.00 acre tract, a southeast line of said 158.5 acre tract, a distance of 471.00 feet to a found ¼" iron rod, a reentrant corner of said called 158.5 acre tract and the west corner of said called 5.00 acre tract;

THENCE: S 38°10'19"E, along and with a northeast line of said 158.5 acre tract and the southwest line of said called 5.00 acre tract, a distance of 464.93 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson," a point in the northeast line of a said called 158.5 acre tract, the south corner of said called 5.00 acre tract and the west corner of a called 5.002 acre tract recorded in Volume 993, Pages 303-307 of the Official Public Records of Comal County, Texas;

SAN ANTONIO / AUSTIN
HOUSTON / FORT WORTH / DALLAS

2000 NW Loop 410 San Antonio, Texas 78213
P 210.375.9000 F 210.375.9010 www.pape-dawson.com

THENCE: S 38°28'33"E, along and with an northeast line of said called 158.5 acre tract and the southwest line of said called 5.002 acre tract, a distance of 461.96 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson," an angle point in the northeast line of said called 158.5 acre tract, the south corner of said called 5.002 acre tract and the west corner of a called 5.00 acre tract described in Document 201406000492 of the Official Public Records of Comal County, Texas;

THENCE: S 38°28'33"E, along and with a northeast line of said called 158.5 acre tract and the southwest line of said called 5.00 acre tract, a distance of 463.39 feet to a found ¼" iron rod, an east corner of said called 158.5 acre tract, the south corner of said called 5.00 acre tract, on the northwest line of a 9.19 acre tract described in Document No. 201006023319 of the Official Public Records of Comal County, Texas;

THENCE: S 47°24'11" W, along and with the northwest line of said 9.19 acre tract, the southeast line of said 158.5 acre tract, a distance of 501.16 feet to a found ½" iron rod, the north corner of Canham Ranch Subdivision Unit 1, recorded in Volume 14, Page 246 of the Map Records of Comal County, Texas;

THENCE: S 47°04'05" W, along and with the northwest line of said Canham Ranch Subdivision a distance of 203.72 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

THENCE: S 47°18'22" W, continuing along and with the northwest line of said Canham Ranch Subdivision a distance of 3538.71 feet to a found ½" iron rod with cap, the west corner of said Canham Ranch Subdivsion, on the northeast line of said 2,309 acre tract;

THENCE: Along and with the southwest line of said Canham Ranch Subdivision, the northeast line of said 2,309 acre tract, the following bearings and distances:

S 50°03'27" E, a distance of 0.47 feet to a found ½" iron rod with yellow cap marked "Carter-Burgess";

S 49°55'40" E, a distance of 331.03 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

S 49°55'41" E, a distance of 443.71 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

S 49°46'53" E, a distance of 464.02 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

S 46°48'33" E, a distance of 188.62 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

S 21°19'51" E, a distance of 389.91 feet to a found ½" iron rod with cap;

S 21°00'34" E, a distance of 1382.95 feet to a found ½" iron rod with cap;

S 38°03'36" E, a distance of 354.37 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

S 47°09'40" E, a distance of 479.88 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

S 35°26'37" E, a distance of 600.02 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

S 40°32'06" E, a distance of 62.93 feet to a found PK nail, the south corner of said Canham Ranch Subdivision;

THENCE: Along and with the southeasterly line of said Canham Ranch Subdivision, the northwesterly line of said 227.7 acre tract, the following bearings and distances:

N 55°23'28" E, a distance of 15.40 feet to a found ½" iron rod with cap marked "Carter Burgess,";

N 55°29'52" E, a distance of 830.03 feet to a found ½" iron rod with cap marked "Carter Burgess";

N 55°27'16" E, a distance of 182.42 feet to a fence post;

N 07°48'23" W, a distance of 899.28 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

N 07°27'51" W, a distance of 353.13 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

N 07°42'21" W, a distance of 1184.57 feet to a found ½" iron rod;

N 07°31'40" W, a distance of 1390.98 feet to a found ½" iron rod with cap marked "Carter Burgess";

N 43°38'53" E, distance of 1933.83 feet to a found ½" iron rod with cap marked "CW," the southeast corner of the a 15 foot dedication described in said Canham Ranch Subdivision, and the northwest corner of said Lot 78;

THENCE: N 45°50'37"E, along and with the northwest line of said 227.7 acre tract and the southeast line of a 15 foot Dedication for Public Right of Way, dedicated in said Canham Ranch Subdivision, Unit 1, continuing along and with a northwest line of said 227.7 acre tract for a distance of 15.10 feet to a found mag nail with washer marked "Pape-Dawson", on the southwest right-of-way line of said FM 3009, the north corner of said 227.7 acre tract;

THENCE: S 38°26'25" E, along and with the southwesterly right-of-way line of said FM 3009, the northeast line of said 227.7 acre tract, a distance of 1452.33 feet to a found ½" iron rod, the north corner of said 60.02 acre tract, an east corner of said 227.7 acre tract;

THENCE: Continuing along and with the southwesterly right-of-way line of said FM 3009, the northeast line of said 60.02 acre tract, the following bearings and distances:

S 38°10'21" E, a distance of 742.06 feet to a point, the beginning of a curve to the right;

Southeasterly, along a curve to the right, a radius of 1850.08 feet, a central angle of 26°44'22", a chord bearing and distance of S 24°48'10" E, 855.61 feet, for an arc length of 863.42 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

S 11°25'51" E, a distance of 188.51 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson", the east corner of said 60.02 acre tract, the northeast corner of a called 3.074 acre tract recorded in Volume 640, Pages 265-268 of the Official Public Records of Comal County, Texas;

THENCE: S 74°07'56" W, departing the southwest right of way line of said FM 3009, along and with a south line of said 60.02 acre tract and the north line of said called 3.074 acre tract, a distance of 621.29 feet to a found ½" iron rod, the northwest corner of said called 3.074 acre tract and a north corner of a called 21.770 acre tract, save and except a 2.188 acre tract, recorded in Document No. 200706042900 of the Official Public Records of Comal County, Texas;

THENCE: S 50°13'10" W, along and with a north line of said called 21.770 acre tract, save and except a 2.188 acre tract, at distance of 906.68 feet passing a found ½" iron rod, continuing along and with the north line of said 21.770 acre tract, save and except a 2.188 acre tract, for a total distance of 1219.38 feet to a found ½" iron rod with cap marked "Baker," the northwest corner of said called 21.770 acre tract, on a northeast line of said 227.7 acre tract;

THENCE: S 37°30'12" E, along and with the northeast line of said 227.7 acre tract, the southeast line of said 21.770 acre tract, a distance of 500.00 feet to a found ½" iron rod, the south corner of said called 21.770 acre tract and the west corner of a called 25.018 acre tract recorded in Volume 642, Pages 865-867 of the Deed Records of Comal County, Texas;

THENCE: Along and with the northeasterly line of said 227.7 acre tract, the southwesterly line of said 25.018 acre tract, the following bearings and distances:

S 37°55'31" E, a distance of 394.11 feet to a fence post;

S 02°43'30" E, a distance of 534.84 feet to a found ½" iron rod with cap marked "S.K.I.";

S 02°07'30" E, a distance of 100.32 feet to a fence post, the south corner of said 25.018 acre tract;

THENCE: S 61°42'23" W, along and with a south line of said 227.7 acre tract, a distance of 1037.62 feet to a fence post, a reentrant corner of said 227.7 acre tract;

THENCE: S 18°28'57" E, along and with an east line of said 227.7 acre tract, a distance of 270.08 feet to a found iron rod with cap marked "ACES", the west corner of a 7.29 acre tract described in Document No. 201106024274 of the Official Public Records of Real Property of Comal County, Texas;

THENCE: S 47°37'11" E, with the southwest line of said 7.29 acre tract, a distance of 608.89 feet to a found iron rod with cap marked "ACES", the south corner of said 7.29 acre tract, an east corner of said 227.7 acre tract;

THENCE: Along and with the southeast line of said 227.7 acre tract, the northeast line of a called 10.00 acre tract of land recorded in Volume 878, Pages 857-584 of the Official Public Records of Comal County, Texas, the following bearings and distances:

S 39°56'14" W, a distance of 327.48 feet to a found ½" iron rod;

S 31°05'36" W, a distance of 1061.63 feet to a found ½" iron rod;

S 54°56'28" W, a distance of 331.28 feet to a found PK nail, the south corner of said called 227.7 acre tract, the west corner of said called 10.00 acre tract and on the northeast line of said 2,309 acre tract and in the centerline of Old Bat Cave Road, a variable width Ingress/Egress Easement recorded in Volume 169, Page 491 and an Ingress/Egress Easement (no width given) recorded in Volume 24, Pages 484-493 of the Deed Records of Comal County, Texas;

THENCE: S 28°07'16" E, along and with the northeast line of said 2,309 acre tract, at a distance of 66.75 feet passing the south corner of said 10.00 acre tract, and the west corner of a 10.00 acre tract described in Document No. 200406035170 of the Official Public Records of Comal County, Texas, and continuing, along and with the southwest line of said 10.00 acre tract, a northeast line of said 2,309 acre tract, for a total a distance of 281.19 feet to a found PK nail, in the centerline of said Old Bat Cave Road, the north corner of said 23.01 acre tract;

THENCE: Along and with the northeast line of said 23.01 acre tract, generally with the centerline of said Old Bat Cave Road, the following bearings and distances:

S 31°41'52"E, a distance of 824.01 feet to a found PK nail in the present centerline of said Bat Cave Road;

S 35°35'38"E, a distance of 176.86 feet to a found PK nail in the present centerline of Old Bat Cave Road;

THENCE: S 60°28'07"W, along and with the southerly line of said 23.01 acre tract, departing the centerline of said Bat Cave Road, along the northwest right of way line of said Bat Cave Road, a distance of 60.38 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

THENCE: S 46°07'00"E, continuing along and with the southerly line of said 23.01 acre tract, a distance of 23.20 feet to a found ½" iron rod with yellow cap marked "Pape Dawson," a point in the west right of way line of said Bat Cave Road;

THENCE: S 02°00'00"W, continuing along and with the southerly line of said 23.01 acre tract, and the west right of way line of said Bat Cave Road, a distance of 80.00 feet to a found ½" iron rod with yellow cap marked "Pape Dawson," a northeast corner of Forest Hills Subdivision recorded in Volume 11, Page 48 of the Map and Plat Records of Comal County, Texas, the south corner of said 23.01 acre tract, and a point in the west right of way line of said Bat Cave Road;

THENCE: N 46°38'43"W, departing the west right of way line of said Bat Cave Road, along and with the southeast line of said 23.01 acre tract, and the northeast line of said Forest Hills Subdivision, a distance of 94.61 feet to a found ½" iron rod with yellow cap marked "Pape Dawson", a reentrant corner of said 23.01 acre tract, the north corner of said Forest Hills Subdivision;

THENCE: Along the northwest line of said Forest Hills Subdivision, the southeast line of 23.01 acre tract, the following bearings and distances:

S 60°28'07"W, a distance of 138.87 feet to a found ½" iron rod with yellow cap marked "Pape Dawson";

S 58°47'07"W, a distance of 373.76 feet to a found ½" iron rod with yellow cap marked "Pape Dawson";

S 59°08'07"W, at distance of 376.03 feet passing a found ½" iron rod with yellow cap marked "Pape Dawson" the south corner of said 23.01 acre tract, continuing, along the southerly line of said 2,309 acre tract, a total distance of 416.37 feet to a found ½" iron rod, the west corner of Lot 2 and the northeast corner of Lot 1 of said Forest Hills Subdivision;

THENCE: S 60°29'09"W, continuing along and with a southeasterly line of said 2,309 acre tract and a north line of said Lot 1, a distance of 562.70 feet to a found ¼" iron rod, the northwest corner of said Lot 1, the northeast corner of Lot 3 of the Garden Oaks Subdivision, Unit 1 recorded in Volume 5, Page 190 of the Map and Plat Records of Comal County, Texas;

THENCE: S 59°27'41"W, along and with a southeast line of said 2,309 acre tract and a north line of said Garden Oaks Subdivision, Unit 1, a distance of 860.15 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson," a west corner of said Lot 4, the north corner of Lot 5, Garden Oaks Subdivision, Unit 2, recorded in Volume 5, Page 13 of the Map and Plat Records of Comal County, Texas;

THENCE: S 59°43'01"W, along and with a southeast line of said 2,309 acre tract and the north line of said Lot 5, a distance of 259.34 feet to a found ¼" iron rod, a south corner of said 2,309 acre tract, a point in the north line of said Lot 5 and the southeast corner of Lot 12, Garden Oaks Subdivision, Unit 3 recorded in Volume 6, Page 37 of the Map and Plat Records of Comal County, Texas;

THENCE: N 30°49'29"W, along and with a southwest line of said 2,309 acre tract and the northeast line of said Lot 12, at a distance of 725.79 feet passing a found ¼" iron rod, the northeast corner of said Lot 12 and a point in the south line of Garden Oaks Drive as shown in said Garden Oaks Subdivision, Unit 3 at a distance of 787.47 feet passing a found ½" iron rod, the southeast corner of Lot 11 of said Garden Oaks Subdivision, Unit 3 and a point in the north line of said Garden Oaks Drive, continuing for a total distance of 1120.38 feet to fence post, the northeast corner of said Lot 11 and a reentrant corner of said 2,309 acre tract;

THENCE: N 82°28'44"W, along and with a southwest line of said 2,309 acre tract and the northeast line of said Lot 11, a distance of 437.54 feet to a fence post;

THENCE: S 59°46'45"W, along and with a southwest line of said 2,309 acre tract and the north line of said Lot 11, at a distance of 408.04 feet passing the northwest corner of said Lot 11 and the northeast corner of Lot 10 of said Garden Oaks Subdivision, Unit 3, continuing for a total distance of 743.25 feet to a found ½" iron rod with cap marked "Baker";

THENCE: S 59°14'57"W, along and with a southeast line of said 2,309 acre tract and the north line of said Lot 10, a distance of 289.04 feet to a found ¼" iron rod, the northwest corner of said Lot 10 and the northeast corner of Lot 9 of said Garden Oaks Subdivision, Unit 3;

THENCE: S 59°32'41"W, along and with the north line of said Lot 9, at a distance of 677.61 feet passing the northwest corner of said Lot 9, the north corner of Lot 8 of said Garden Oaks Subdivision, Unit 3, the northeast corner of Lot 7 of said Garden Oaks Subdivision, Unit 3 and continuing for a total distance of 831.49 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson," a south corner of said 2,309 acre tract, a point in the north line of said Lot 7 and the northeast corner of a called 593.6 acre tract recorded in Document No. 2005060278663 of the Official Public Records of Comal County, Texas;

THENCE: N 64°19'38" W, along and with the southwest line of said 2,309 acre tract and a north line of said called 593.6 acre tract, a distance of 103.58 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson", the south corner of a 1,244.5 acre tract described in Document No. 201406011495 of the Official Public Records of Comal County, Texas;

THENCE: Along and with the northeasterly lines of said 1,244.5 acre tract, the following bearings and distances:

N 59°32'41" E, a distance of 889.00 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

N 59°14'57" E, a distance of 289.21 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

N 59°46'45" E, a distance of 786.79 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

N 03°35'04" W, a distance of 521.79 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

N 39°06'02" W, a distance of 249.27 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

N 11°14'30" E, a distance of 423.11 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

N 74°53'22" E, a distance of 330.73 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

S 89°23'28" E, a distance of 438.31 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

N 84°08'04" E, a distance of 722.81 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson,";

N 52°46'04" E, a distance of 502.64 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson,";

N 33°03'29" E, a distance of 876.91 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson,";

N 42°31'02" W, a distance of 417.60 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson,";

N 69°23'52" W, a distance of 697.10 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson,";

S 50°38'29" W, a distance of 1141.84 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson,";

S 20°53'50" W, a distance of 483.67 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson,";

S 74°38'11" W, a distance of 371.75 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson,";

S 89°53'28" W, a distance of 309.07 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson,";

S 67°16'16" W, a distance of 511.16 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson,";

S 24°51'41" W, a distance of 503.23 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson,";

S 39°36'58" W, a distance of 385.22 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson,";

S 48°30'30" W, a distance of 465.58 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson,";

N 85°51'42" W, a distance of 354.46 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson,";

S 59°35'48" W, a distance of 115.16 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson,";

S 02°37'03" W, a distance of 228.97 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson,";

S 65°46'44" W, a distance of 221.17 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson,";

N 53°18'35" W, a distance of 506.22 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson,";

N 25°40'00" W, a distance of 249.80 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson,";

N 66°12'21" E, a distance of 617.44 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson,";

N 24°25'13" E, a distance of 863.53 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson,";

N 65°29'15" E, a distance of 605.70 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson,";

N 31°43'40" E, a distance of 363.34 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

N 61°12'01" E, a distance of 442.95 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

S 75°59'17" E, a distance of 316.42 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

N 70°10'37" E, a distance of 560.10 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

N 25°42'13" E, a distance of 300.25 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

N 09°10'56" W, a distance of 716.04 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

N 27°49'47" W, a distance of 488.89 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

N 76°06'05" W, a distance of 359.46 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

S 50°34'45" W, a distance of 491.29 feet to a found mag nail with washer stamped "Pape-Dawson";

S 24°22'53" E, a distance of 136.57 feet to a found mag nail with washer stamped "Pape-Dawson";

S 53°41'01" W, a distance of 1273.18 feet to a found mag nail with washer stamped "Pape-Dawson";

S 31°31'48" W, a distance of 443.47 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson,";

S 86°54'04" W, a distance of 520.26 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson,";

S 73°03'20" W, a distance of 229.90 feet to a found mag nail with washer stamped "Pape-Dawson";

S 86°48'27" W, a distance of 488.78 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

N 27°31'25" W, a distance of 551.51 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson,";

N 87°15'35" W, a distance of 339.30 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

S 45°52'52" W, a distance of 456.30 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

N 85°56'13" W, a distance of 531.73 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

S 34°39'11" W, a distance of 200.03 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

S 01°07'38" E, a distance of 372.23 feet to a found mag nail with washer stamped "Pape-Dawson";

S 08°31'25" W, a distance of 318.56 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

S 37°59'12" W, a distance of 717.31 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

N 69°53'49" W, a distance of 723.31 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

N 08°05'22" W, a distance of 491.28 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

N 01°57'12" W, a distance of 989.20 feet to a found mag nail with washer stamped "Pape-Dawson";

N 29°30'38" W, a distance of 831.56 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

N 61°57'02" W, a distance of 400.65 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

S 84°58'07" W, a distance of 566.30 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

N 04°13'32" W, a distance of 1177.97 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

N 51°24'00" W, a distance of 661.49 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

S 64°02'22" W, a distance of 446.54 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

N 02°16'44" E, a distance of 1780.70 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

N 66°28'32" E, a distance of 630.53 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

N 28°49'13" E, a distance of 225.75 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

N 14°33'35" W, a distance of 380.98 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

N 47°58'26" E, a distance of 206.29 feet to a found ½" iron rod with a yellow cap marked "Pape Dawson", on the south line of a 266.000 acre recorded in Document Number 200206041886 of the Official Public Records of Comal County, Texas;

THENCE: Along and with the north line of said 2,309 acre tract, and the south line of said 266.000 acre tract, the following bearings and distances:

S 43°36'38" E, a distance of 99.41 feet to a fence post;

S 61°25'53" E, a distance of 544.06 feet to a fence post;

N 77°01'45" E, a distance of 519.29 feet to a fence post;

S 61°01'36" E, a distance of 373.68 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

S 55°29'01" E, a distance of 270.38 feet to a fence post;

S 52°02'55" E, a distance of 469.37 feet to a fence post;

S 80°21'11" E, a distance of 206.49 feet to a fence post;

N 47°57'38" E, a distance of 271.60 feet to a fence post;

S 86°21'39" E, a distance of 146.74 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

S 85°24'53" E, a distance of 761.23 feet to a fence post;

N 72°33'56" E, a distance of 358.26 feet to a fence post, the southeast corner of said 266.000 acre tract and a south corner of a called 577.1 acre tract recorded in Volume 7017, Pages 13-24 of the Official Public Records of Comal County, Texas;

THENCE: Along and with the north line of said 2,309 acre tract, and the south line of said 577.1 acre tract, the following bearings and distances:

N 72°33'56" E, a distance of 660.26 feet to a fence post;

N 61°45'35" E, a distance of 120.88 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

N 69°36'58" E, a distance of 85.85 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

N 73°21'56" E, a distance of 94.77 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

N 72°17'08" E, a distance of 221.18 feet to a fence post;

N 73°50'53" E, a distance of 231.16 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson," a point in the north line of said 2,309 acre tract, a southeast corner of said called 577.1 acre tract and the southwest corner of said 158.5 acre tract;

THENCE: Along and with a northerly line of said called 158.5 acre tract, the following bearings and distances:

N 16°04'10"E, a distance of 1079.49 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

N 54°41'58"E, a distance of 485.59 feet to a found ½" iron rod;

S 83°28'10"E, a distance of 855.02 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson," for the beginning of a curve to the left;

Northeasterly, along the arc of said curve to the left, said curve having a radius of 1500.00 feet, a central angle of 57°26'15", a chord bearing and distance of N 67°48'43" E, 1441.53 feet, for an arc length of 1503.71 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson, a point of tangency;

N 39°05'36"E, a distance of 1343.51 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

N 12°41'56"E, a distance of 419.43 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson," a point of curvature to the right;

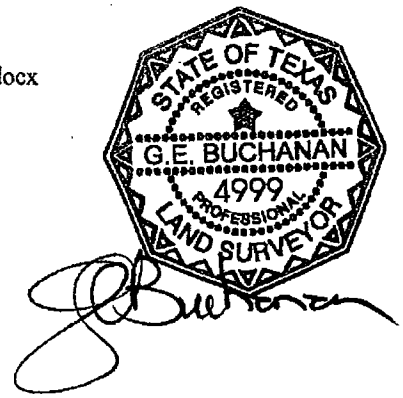
Northeasterly, along the arc of said curve to the right, said curve having a radius of 120.00 feet, a central angle of 23°48'02", a chord bearing and distance of N 24°35'57" E, 49.49 feet, for an arc length of 49.85 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson," a point of tangency;

N 36°29'59"E, a distance of 323.46 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson," a point of curvature to the right;

Northeasterly, along the arc of said curve to the right, said curve having a radius of 300.00 feet, a central angle of 15°09'34", a chord bearing and distance of N 44°04'46" E, 79.14 feet, for an arc length of 79.37 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson," a point of tangency;

THENCE: N 51°39'32"E, a distance of 110.32 feet to POINT OF BEGINNING and containing 1521.259 acres in Comal County, Texas. Said tract being described in accordance with a survey made on the ground and a survey description and map prepared under job number 9412-13 by Pape-Dawson Engineers, Inc.

PREPARED BY: Pape-Dawson Engineers, Inc.
DATE: September 17, 2014
JOB NO. 9412-13
DOC. ID. N:\Survey13\13-9400\9412-13\Word\9412-13-FN.docx
TBPE Firm Registration #470
TBPLS Firm Registration #100288-00



Consideration of the following three items associated with an acquisition of a conservation easement on the Crescent Hills property totaling 1,521 acres over the Edwards Aquifer Recharge Zone

Item # 4

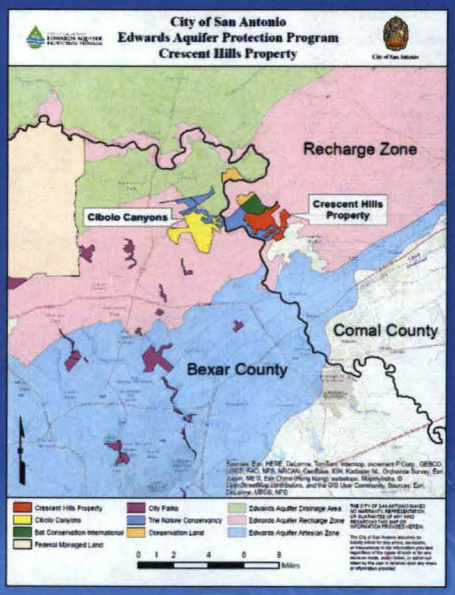
October 16, 2014

Erik Walsh, Deputy City Manager

1

Conservation Easement

- Crescent Hills Property
- Collaborative Effort



2

Conservation Easement

- Significant to Edwards Aquifer Recharge Zone
- Funding Agreement with Partners

3

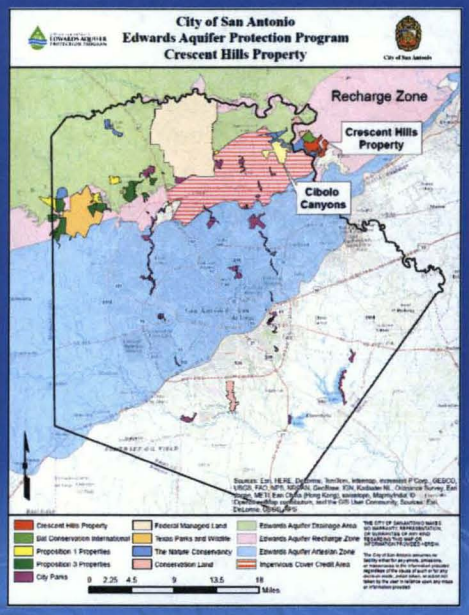
Conservation Easement

- TNC Purchase - $20.5M
- Conservation Advisory Board (CAB) approved $5M contribution

4

Impervious Cover

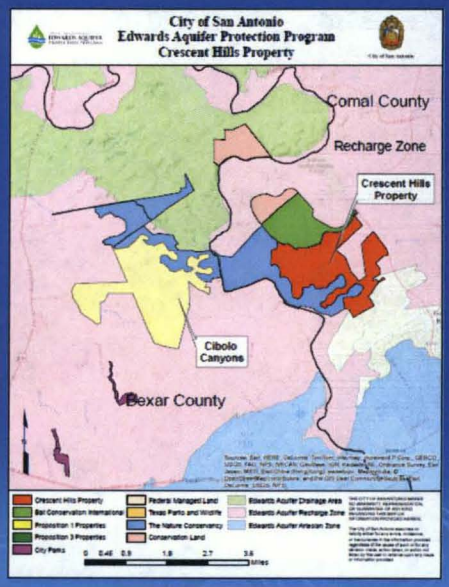
- Dierks Property in 2011
- Forestar contribution to TNC - $5M
- 86 Impervious Cover Credits
- Results in a 142-acre decrease in development over the Recharge Zone



5

Cibolo Canyon Amendment

- In 2002, City entered into a non-annexation agreement with Lumberman's Investment Corp. – now Forestar – for the Cibolo Canyon development
- This amendment would allow for 43 ICCs to be used on the Cibolo Canyon site, increasing the impervious cover limit from 15% to 16.5%
- Most monitored and protected development over the Recharge Zone



6

Funding for Crescent Hills

- $5M – COSA Edwards Aquifer Protection Program
- $5M – Forestar (USA) Real Estate Group
- $500k – Bexar County
- $500k – Edwards Aquifer Authority
- $100k – U.S. Army
- $9.4M – The Nature Conservancy and Bat Conservation International fundraising ($5M raised to date)

$20.5M = Purchase Price

7

Recommendation

- Staff recommends authorization of all three action items
- This property will be the 56th conservation easement under the Proposition 1 program, and will increase the total City-protected land to 127,102 acres

8