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File created on 11-30-05 by AA.

Control # 18-1045

School Land

File number 155377

Hays County

Part of # 17 Abstract No.

PSF

"Hays County Mixed Use"

-0- ~~113.~~ 133 Acres

Survey/Section No.

part of J. M. Veramendi Survey No. 1

Block Tsp. Cert.

Endorsements

T.N.R.C. Chapter 51

Transfered to 155603

PAID IN FULL FOR 113.133 ACRES

DATE 8-18-05

Req.# 305-5-3208

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Revised 9/01

added to database 8.21.2008 SSdarsey

School Land File Number ______________________________

Endorsements	Contents
~~SCANNED~~	No.—
~~DATE 10-2-07~~	No.—
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AGREEMENT OF LIMITED PARTNERSHIP

* * * * * * *

THIS AGREEMENT OF LIMITED PARTNERSHIP is made and entered into this 1 day of FEBRUARY, 1991, by and among NATY SAIDOFF, a California resident (hereinafter referred to as the "General Partner"), and YEHUDIT RAZ, Trustee of the Double J. Trust (hereinafter referred to as the "Limited Partner"). (Said General Partner and Limited Partner are hereinafter collectively referred to as the "Partners").

ARTICLE 1.

FORMATION OF PARTNERSHIP

NATY SAIDOFF, as General Partner, and YEHUDIT RAZ, Trustee, hereby form a limited partnership (the "Partnership") pursuant to the provisions of the Nevada Uniform Limited Partnership Act, Nevada Revised Statutes, Chapter 88, upon the terms and conditions hereinafter set forth. It is agreed that a certificate of limited partnership (the "Certificate") shall be duly recorded by the General Partner in the offices of the Nevada Secretary of State and the Clark County Recorder immediately after the execution hereof, and a fictitious business name statement will be filed and published on behalf of the Partnership in Clark County, Nevada. It is agreed that in addition to the Certificate, the General Partner shall immediately execute certificates and further douments for such other filings and recordings so as to comply with all the requirements for a formation of a limited partnership under the laws of such state as the General

Partners determine in their sole and absolute discretion.

ARTICLE 2.

THE NAME OF THE PARTNERSHIP

The business of the Partnership shall be conducted under the name of: CAPITAL FORESIGHT LIMITED PARTNERSHIP, A Nevada Limited Partnership.

ARTICLE 3.

LOCATION OF THE PRINCIPAL PLACE OF BUSINESS

The location of the principal place of business of the Partnership shall be at: 520 So. Fourth Street, Las Vegas, Nevada 89101, c/o Michael H. Singer, Ltd.

ARTICLE 4.

TERM OF THE PARTNERSHIP

The term of the Partnership shall commence upon the recording of the Certificate, and shall continue until the death or legal disability of the General Partner, unless terminated at an earlier date pursuant to any provision of this Agreement.

ARTICLE 5.

THE BUSINESS OF THE PARTNERSHIP

The general nature of the business of the Partnership is, and shall be, to engage in any and all lawful business(es).

ARTICLE 6.

CONTRIBUTIONS

6.1. The Limited Partner shall contribute in cash to the capital of the Partnership the amount set forth next to the name of the Limited Partner on Schedule "A" attached to this Agreement and by this reference made a part hereof.

Said Schedule also sets forth the Limited Partner's "Percentage Interest" in the capital contributed to the Partnership, which shall be equal to the percentage relationship that the Limited Partner's capital contribution bears to the aggregate total of all capital contributions by the Partners. A Limited Partner's Percentage Interest shall determine, among other things, the percentage of the Investor's Share of the Partnership Profits and Losses to be received by each Limited Partner pursuant to Articles 9 and 10 and voting rights pursuant to Paragraph 14.2 of this Agreement.

6.2. The General Partner shall contribute to the capital of the Partnership Twenty Percent (20%) of his Seventy Percent (70%) general partnership interest in the profits of that certain general partnership entitled "Route 95-Rancho Road Joint Venture, a Nevada General Partnership" (hereinafter "the Property").

6.3. The execution of this Agreement by the General Partner shall constitute the assignment of his rights to the Property, until such time as the General Partner executes a formal recordable assignment in favor of the Partnership.

6.4. The contribution of the Limited Partner to the Partnership shall consist of the aforesaid capital contribution in the above amount, together with Eighty Percent (80%) of all additional amounts required by the General Partner to carry on the business(es) of the Partnership. The liability of the Limited Partner is limited to the amount of the capital contribution required of each such Limited Partner as

hereinabove provided.

6.5. Except as specifically provided in this Agreement, the Partners shall have no right to demand the return of any capital contribution at any time or to demand or receive property other than cash in return for their capital contribution. The capital contributed to the Partnership shall be used and employed in and about the business and for the benefit and advantage of the Partnership and for no other purpose whatsoever. None of the Limited Partners shall have priority over the other Limited Partners, except as otherwise provided in this Agreement. Unless otherwise specifically provided herein, the Partners shall not be entitled to receive interest on such capital contributions.

6.6. A capital account shall be established and maintained for each Partner on the books of the Partnership. The capital account of each Partner as of any relevant date shall be the amount of capital contributed to the Partnership by such Partner in accordance with this Agreement, increased by: (i) the amounts of any additional capital contributions made; and (ii) the profits of the Partnership allocated to each Partner's account, and reduced by distributions made to such Partner from time to time and by losses of the Partnership allocated to such Partner's account.

ARTICLE 7.

POWERS AND DUTIES OF THE GENERAL PARTNER

7.1. The management and control of the Partnership and its affairs and business shall rest exclusively with the

General Partner, who shall have all of the rights and powers which may be possessed by a general partner pursuant to Chapter 88 of the Nevada Revised Statutes, commonly known as the "Nevada Limited Partnership Act," or are necessary, advisable or convenient to the management of the business affairs of the Partnership. Without limiting to the generality of the foregoing, the General Partner shall have the following rights and powers:

(a) To spend the capital proceeds of the Partnership in the exercise of any rights or powers possessed by the General Partner hereunder.

(b) In the absolute discretion of the General Partner, to pay compensation for office facilities and/or accounting, administrative, legal, technical and management services rendered to the Partnership (including services related to the formation thereof), to employ from time to time, on behalf of the Partnership, persons, partnerships or corporations to provide architectural and/or engineering services necessary for the development of the Property, and to pay reasonable compensation for such services, and to execute, acknowledge and deliver any and all instruments to effectuate the foregoing. The General Partner may make all of the aforesaid expenditures, in reasonable amounts, in discharging its duties hereunder on behalf of the Partnership and shall be entitled to reimbursement by the Partnership for any reasonable expenditures incurred by

it for such purposes on behalf of the Partnership which shall be made other than out of the funds of the Partnership. To the extent the General Partner or a company owned or controlled by the General Partner or any Limited Partner furnishes such personnel or facilities, it shall be entitled to reasonable compensation therefor based upon comparable rates chargeable by third persons to perform such duties.

(c) To develop, sell, and/or otherwise exploit the assets of the Partnership and any rights therein as owned or controlled by the Partnership, including, without limitation, the right (but not the obligation) to lease, the whole or any part of the Property to any person, firm or corporation, provided the leasing thereof will not interfere with the ability to sell the whole, or any part, of the Property.

(d) To borrow all funds necessary to carry out the objects and purposes of the Partnership from any third party or parties (hereinafter referred to individually and collectively as "Third Party Financier(s)") or from one or more of the Partners, including completion financing. All loans to the Partnership shall be payable by the Partnership on such terms as the General Partner shall determine to be reasonable and shall constitute obligations of the Partnership, which, together with accrued and unpaid interest thereon, shall have priority over capital contributions to the Partnership.

(e) To admit additional Limited Partners to the Partnership: (i) as authorized by this Agreement, or (ii) if not otherwise authorized by this Agreement, only if the admission of such additional Limited Partners shall not serve to diminish the share of Partnership profits and losses of any existing Limited Partner, unless consented to by the Limited Partner.

(f) To bring and defend actions in law or at equity and compromise, submit to arbitration or settle all claims in favor of or against the Partnership.

(g) Notwithstanding anything herein contained to the contrary, the General Partner shall not be entitled to compensation for any services rendered in connection with the management or operation of the Partnership, except as set forth in Paragraphs 7.1(b) and 9.5 hereof.

7.2. The General Partner shall not be liable, responsible or accountable in damage or otherwise to the Limited Partner(s) for any acts performed or omissions to act by the General Partner, in good faith, within the scope of this Agreement.

7.3. The General Partner and the Limited Partner(s), and each of them, may, notwithstanding the existence of this Agreement or investments or obligations of the General Partner or Limited Partner(s) hereunder, engage in whatever other activities they choose, whether they be competitive with the Partnership or otherwise without having or incurring any

obligation to offer any interest of any other activity to the Partnership or any party hereto except as provided herein. Neither this Agreement nor any activity undertaken pursuant hereto shall prevent the General Partner from engaging in such other activities, or require the General Partner to permit the Partnership or Limited Partner(s) to participate in any such other activities, and as a material part of the consideration for the execution hereof by the General Partner, and acceptance of its subscription hereunder, the Limited Partner(s) hereby waives, relinquishes and renouncees any such rights or claims of participation other than as otherwise specifically set forth hereinafter.

7.4. All funds of the Partnership are to be deposited in the Partnership's name, in such non-interest bearing accounts or interest bearing accounts as shall be designated by the General Partner. Interest earned on Partnership funds shall inure to the benefit of the Partnership. Withdrawals from such accounts shall be made upon such signature(s) as the General Partner may designate.

7.5. The General Partner shall have the absolute, unfettered and complete control over all financial activities of the Partnership.

7.6. Although the General Partner is non-exclusive to the Partnership in connection with his business activities, the General Partner will exercise his best efforts in the management and control of the business of the Partnership.

7.7. The General Partner shall be indemnified by the Partnership for any liabilities incurred and payments made, including legal fees and expenses, and including amounts paid in settlement, by reason of any act or omission of the General Partner in the performance of its duties as General Partner on behalf of the Partnership or in furtherance of the Partnership's interests. However, the General Partner shall not be entitled to indemnification from the Partnership for any liability incurred by the General Partner as a result of gross negligence, willful or wanton misconduct, or a breach of his fiduciary duty.

7.8. The General Partner shall be reimbursed in an amount equal to one hundred percent (100%) of his direct out-of-pocket costs incurred in connection with the Partnership Business in excess of the required capital contribution.

ARTICLE 8.

BOOKS, RECORDS, REPORTS

8.1. At all times during the continuance of the Partnership, the General Partner shall keep or cause to be kept full and accurate books and records for the Partnership. Each Partner shall, at reasonable times and upon reasonable notice, have the right to inspect and make extracts from and copies of all such books and records.

8.2. The fiscal year of the Partnership shall be the calendar year, ending December 31.

8.3. The General Partner shall prepare or cause to be prepared and distributed to the Limited Partner the fol-

lowing reports:

(a) Within seventy-five (75) days following the end of each fiscal year of the Partnership, all state and federal partnership informational income tax returns; and

(b) Within one hundred twenty (120) days following the end of each fiscal year of the Partnership, an annual report containing: (i) a balance sheet as of the end of the fiscal year of the Partnership and a statement of profit and loss for such fiscal year, all in accordance with generally accepted accounting principles, (ii) a brief summary of the activities of the Partnership during the period covered by the report, and (iii) a statement of distributions to Partners for the period covered thereby and the source and nature of such distributions.

8.4. The General Partner shall be designated as the Tax Manager and shall be given the authority, on behalf of the Partnership and the Partners, to represent the Partnership in all matters with the Internal Revenue Service, including, but not necessarily limited to, audits, settlements and litigation. Also, the Tax Manager shall have the authority to designate a representative to represent the Partnership in all matters involving disputes with the Internal Revenue Service.

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ARTICLE 9.

PROFITS AND LOSSES

9.1. "Partnership Profits" and "Partnership Losses" shall mean the profit or loss of the Partnership for each fiscal year determined at the close of each fiscal year by the accountant regularly employed by the Partnership, computed on a cash method basis in the same manner as profits and losses are calculated for federal income tax purposes. It is understood that all costs directly allocable to the acquisition and development of real property, except for real estate taxes and mortgage interest, will be required to be capitalized for income tax purposes until the Property is exploited or sold.

9.2. Except as otherwise set forth herein, Partnership Profits and Partnership Losses for each fiscal year shall be allocated to the Limited Partner(s) (the "Investors' Share") and to the General Partner (the "General Partner's Share") on a pro rata basis in proportion to their respective Percentage Interests.

9.3. THERE ARE NO GUARANTEES THAT THERE SHALL BE ANY PARTNERSHIP RECEIPTS OR PARTNERSHIP PROFITS.

9.4. Profits, income, tax credits, gains and losses shall be allocated among the Partners on the Partnership's state and federal informational tax returns in the same manner as they are allocated pursuant to this Article 9.

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ARTICLE 10.

DISTRIBUTIONS

10.1. "Cash Available for Distribution" shall mean the total of all Partnership receipts received as cash funds by the Partnership after payment (or reasonable reserve for payment) of all operating and overhead expenses, debts, liabilities, taxes and contingent liabilities of the Partnership, including, without limitation, all costs incurred by or on behalf of the Partnership in connection with the development and/or exploitation of the Property, all expenses payable to the General Partner under this Agreement, all costs of acquiring, developing and selling assets borne by the Partnership, all amounts payable to any Third Party Financier which are payable prior to recoupment of the capital contributions of the Partners and all of the Partnership's legal, accounting and other debts, costs and obligations allocable to the Property.

10.2. Cash Available for Distribution shall be distributed from time to time in the reasonable discretion of the General Partner as follows:

(a) First, amounts shall be distributed pari passu to the General Partner and Limited Partner(s) in the proportion of their respective capital contributions, until an amount equal to the aggregate amount of all such Partners' capital contributions has been so distributed; and

(b) The remainder of Cash Available for Dis-

tribution shall be distributed pari passu to and among the Partners, in the same proportion as Partnership Profits and Losses are allocated pursuant to Paragraph 9.2 hereof and, the General Partner, after payment to the General Partner of the Guaranteed Payment.

10.3. THERE ARE NO GUARANTEES, WARRANTIES OR REPRESENTATIONS THAT THERE SHALL EVER BE ANY CASH AVAILABLE FOR DISTRIBUTION.

ARTICLE 11.

TRANSFER OF LIMITED PARTNERSHIP INTERESTS

11.1. Except as otherwise provided herein, the Limited Partners shall not sell, assign, transfer, pledge, hypothecate or otherwise convey in any manner whatsoever (hereinafter collectively referred to as "Transfer") the whole or part of any interest in the Partnership to any person, firm or corporation. The General Partner shall have the absolute discretion to withhold consent with respect to any proposed Transfer in the event that a Transfer of a Limited Partnership Interest would, in the opinion of the General Partner, result in a termination of the Partnership for purposes of Section 708 of the Internal Revenue Code or if, in the opinion of the General Partner, such Transfer would violate the Federal or state securities laws (including investor suitability standards). The General Partner may also require that any such Transfer of a Limited Partner's Interest be made to the Partnership on such terms as were otherwise available to any Limited Partner.

11.2. Notwithstanding the foregoing, the restrictions of Paragraph 11.1 shall not apply with respect to a Transfer of all or any part of the interest in the Partnership of a Limited Partner by will or by intestacy, with respect to a Transfer during the lifetime to the immediate family of such Limited Partner (defined as the spouse, adult child, father, mother, or adult grandchild of the Limited Partner), trustees for any of the foregoing, or trustees for a minor lineal issue of the Limited Partner or in the case of a corporate Limited Partner, with respect to a Transfer in connection with distribution to the shareholders in complete liquidation of such corporation.

11.3. In connection with any Transfer permitted by Paragraphs 11.1 or 11.2, an assignee of a Limited Partner's entire interest in the Partnership shall become a "Substituted Limited Partner" (as that term is defined in the Uniform Limited Partnership act), provided the following conditions are first satisfied:

(a) A duly executed and acknowledged written instrument of assignment, satisfactory in form and substance to the General Partner, is filed with the General Partner expressly setting forth the intention of the assignor that the assignee become a Substituted Limited Partner;

(b) The assignor and assignee execute and acknowledge such other instrument(s) as the General Partner may deem necessary or desirable to effectuate

such substitution;

(c) The assignee accepts and adopts in writing all of the terms and provisions of this Agreement, as the same may have been amended;

(d) The General Partner consents thereto in writing; and

(e) The assignee pays all reasonable expenses incurred by the Partnership in connection with such substitution, including, but not limited to, legal fees and costs (which costs may include, for example, the cost of filing and publishing any amendment to the Certificate).

11.4. Right of First Refusal.

(a) Notwithstanding anything herein contained to the contrary, a Limited Partner may sell his Partnership Interest to the General Partner or another Limited Partner, provided the Substituted Limited Partner complies with the provisions of 11.3 above.

(b) Notwithstanding anything herein contained to the contrary, a Limited Partner may sell all or any part of his partnership interest to a person who is not already a member of the Partnership, provided the following conditions are satisfied:

(1) The interest shall first be offered in writing to the Partnership at the price and on the terms on which it is proposed to be sold ("the price" and "the terms"), and the Partnership shall have a period of thirty (30) days to accept or re-

ject the offer in whole or in part, at the price (pro-rated, if the offer is accepted in part) and on the same terms.

(2) If the offer is rejected in whole or in part by the Partnership, the interest or the remaining interest of the Limited Partner shall next be offered in writing to the other Limited Partners for a period of twenty (20) days next following expiration of the thirty (30) day period. The offer to the other Limited Partners shall be pro-rated in accordance with the ratio of the capital interests of each Limited Partner to the total capital interest of all the Limited Partners other than the one making the offer, on the terms and at the prices (as to each offeree) determined by pro-rating the price. If not all the remaining interest is disposed of under the apportionment, each Limited Partner desiring to purchase a portion of the remaining interest shall be entitled to purchase the portion that remains undisposed of as his interest in the capital of the Partnership determined under Article 6 bears to the interest in the capital of the Partnership of all other Limited Partners desiring to purchase portions of the remaining interest.

(3) If none or only a portion of the interest of the Limited Partner desiring to sell the

same is purchased in accordance with Paragraphs (1) and (2), then the Limited Partner may sell his interest or the remainder of it to a third person or third persons, but at a price not lower than the price (pro-rated if only a portion), and on terms no more favorable than, the original terms.

(4) Any sale or transfer or purported sale or transfer of any Limited Partnership Interest shall be null and void unless made strictly in accordance with the provisions of this article. The transferee of any Limited Partner's Interest in the Partnership shall be subject to all the terms, conditions, restrictions and obligations of this agreement, including the provisions of this article.

11.5. An assignee or other transferee of an interest in the Partnership who does not qualify as a Substituted Limited Partner shall have no right to receive any payments hereunder, to require any information or account of the Partnership transactions, to inspect the Partnership's books reflecting receipts, or to vote in any matters as to which a Limited Partner may be entitled to vote under law or this Agreement.

ARTICLE 12.

TERMINATION AND DISSOLUTION OF THE PARTNERSHIP

12.1. The withdrawal, dissolution or bankruptcy of the General Partner, or the death, insanity, physical or

legal incapacity of the GENERAL PARTNER shall terminate and dissolve the Partnership.

12.2. The Partnership shall be terminated and dissolved upon the happening of any of the following events:

(a) The expiration of the term of the Partnership;

(b) Pursuant to Paragraph 12.1 above;

(c) By any event which makes it unlawful for the Partnership's business to be continued;

(d) Upon the written agreement of the General Partner and of Limited Partner(s) controlling a majority of the Percentage Interests held by Limited Partners; or

(e) Upon the final sale or disposition of the Partnership's Property.

12.3. (a) Upon the termination of the Partnership, the Partnership shall be dissolved. In such event the General Partner shall take full account of the Partnership's assets and liabilities, and the Partnership's receivables shall be collected and the Partnership's assets shall be liquidated as promptly as is consistent with obtaining the fair market value thereof; provided, however, that the General Partner may, in its sole and absolute discretion, distribute all or any portion of the assets of the Partnership in kind. Any partner may, if he or she so desires, purchase all or any portion of the Partnership's property upon liquidation. During

such dissolution, the Partnership shall engage in no further business other than is necessary to collect its receivables, liquidate its assets, or perform any other functions necessary to prevent the Partnership from being in breach of any binding agreement with any third party. The proceeds from liquidation of the assets of the Partnership and the collection of the receivables of the Partnership, together with assets distributed in kind, to the extent sufficient therefor, shall first be applied to the payment (or reasonable reserve for payment) of all debts, liabilities, taxes, and contingent liabilities of the Partnership, and amounts remaining thereafter, if any, shall be deemed to be Cash Available for Distribution and shall be distributed in the manner set forth in Paragraph 10.2 hereof.

(b) Notwithstanding the foregoing, in the event of such dissolution and/or liquidation and to the extent that the Partnership's assets shall continue to earn and generate monies or, in the reasonable contemplation of the General Partner, the possibility exists that the Partnership's assets shall earn and generate monies in the future, the General Partner may, but is not obligated to, appoint an independent disbursing agent to administer the Partnership's assets and to disburse monies derived therefrom pursuant to this Agreement, which appointment shall continue until the sooner of termination by a majority (based on the respective

percentage participations) of those parties succeeding to profit participations in the Partnership's assets or termination by such disbursing agent upon a determination that such agent's services are no longer economically justified, in which event the Partnership's assets shall be transferred to such profit participants as tenants in common.

12.4. Upon the death, incapacity or withdrawal of [any of] the Limited Partner(s), the Partnership shall not be dissolved and the legal representative of the departing Limited Partner shall succeed to the interest of such Limited Partner.

ARTICLE 13.

SPECIAL POWER OF ATTORNEY

13.1. Power of Attorney. Each Limited Partner hereby makes, constitutes and appoints the General Partner his true and lawful attorney-in-fact for him and in his name, place and stead and for his use and benefit, from time to time:

(a) To make, execute and deliver all agreements amending this Agreement, as now or hereafter amended, that may be appropriate to reflect:

(1) A change of the name or location of the principal place of business of the Partnership;

(2) The disposition by any Limited Partner of his interest as a Limited Partner in the

Partnership in any manner permitted by the Agreement;

(3) The admission of Substituted Limited Partners of the Partnership as permitted by the Agreement;

(4) A change in any provision of the Agreement voted upon by the Partners in accordance with this Agreement or the exercise by any person of any right or rights hereunder; and

(5) A reduction in, increase of, return of or withdrawal of all or a portion of any Limited Partner's capital contribution.

(b) To make, execute and deliver such certificates, instruments and documents as may be required by, or may be appropriate under, applicable laws in connection with the use of the name of the Partnership by the Partnership; and

(c) To make, execute and deliver such certificates, instruments and documents as such Limited Partner may be required, or as may be appropriate for such Limited Partner to make, by applicable laws to reflect:

(1) A change of name or address of such Limited Partner;

(2) Any changes in or amendments of the Agreement, or pertaining to the Partnership, of any kind referred to herein.

13.2. Agreements. Each of such agreements, certificates, instruments, and documents shall be in such form as such attorney-in-fact and counsel for the Partnership shall deem appropriate. The powers hereby conferred to make, execute and deliver agreements, certificates, instruments and documents shall be deemed to include without limitation the powers to sign, execute, acknowledge, swear to, verify, deliver, file, record or publish the same.

13.3. Nature of Power. The power of attorney granted pursuant hereto (i) is a special power of attorney coupled with an interest and is irrevocable, (ii) may be exercised by such attorney-in-fact by listing all of the Limited Partners executing any agreement, certificate, instrument or document with the single signature of such attorney-in-fact acting as attorney-in-fact for all of them, and (iii) shall survive the death, incapacity or incompetency of the Limited Partner granting the same, and the sale, transfer, assignment, or other disposition by a Limited Partner of the whole or a portion of his interest in the Partnership, except that if a transferee is admitted as a Substituted Limited Partner, the transferor's power of attorney with respect to such disposing Limited Partner shall survive such admission for the sole purpose of enabling such attorney-in-fact to execute, acknowledge, file, record and publish any such agreement, certificate, instrument or document necessary to effect such substitution.

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ARTICLE 14.

PARTNERSHIP ELECTIONS

14.1. All elections required or permitted to be made by the Partnership under the Internal Revenue Code shall be made by the General Partner in its sole discretion in accordance with Section 16.11 hereof; provided, however, in the event of a Transfer of a Partner's interest, or upon the death of a Partner, or in the event of a distribution of any Partnership property to any Partner, the General Partner will, at the request of any Partner, file an election, in accordance with Section 754 of the United States Internal Revenue Code of 1954, as amended, and applicable Treasury Regulations (or the corresponding provision of any future United States Internal Revenue Law) to cause the basis of the Partnership's property to be adjusted for federal income tax purposes.

14.2. In any matter in which the Limited Partners shall be required or permitted to vote, except as otherwise provided herein or provided by law, the Limited Partners shall have the voting rights in proportion to their respective Percentage Interests.

ARTICLE 15.

REPRESENTATIONS BY LIMITED PARTNERS

THE LIMITED PARTNER HERETO REPRESENTS AND WARRANTS THAT HE IS ENTERING INTO THIS TRANSACTION ON HIS OWN BEHALF AND NOT ON BEHALF OF ANY THIRD PERSON. THE LIMITED PARTNER FURTHER REPRESENTS AND WARRANTS THAT HE IS ENTERING INTO THIS TRANSACTION

HAVING HAD FULL ACCESS TO ANY INFORMATION REQUIRED BY SUCH PARTNER IN EVALUATING HIS INVESTMENT, AND CAN BEAR THE RISK OF THE INVESTMENT REQUIRED OF HIM HEREUNDER WITHOUT DIFFICULTY. FINALLY, THE PARTNERS HERETO REPRESENT AND WARRANT THAT THEY ARE ENTERING INTO THIS TRANSACTION WITH AN AWARENESS THAT SUCH TRANSACTIONS ARE HIGHLY RISKY AND THAT THEIR INVESTMENT HEREIN MAY NOT BE READILY MARKET-ABLE ON THE OPEN MARKET (AND IS IN FACT NOT INTENDED TO BE SO MARKETED) AND IT IS EXPECTED THAT SOME OF THE PARTNERS' CAPITAL CONTRIBUTIONS TO THE PARTNERSHIP WILL BE REQUIRED TO BE CAPITALIZED FOR INCOME TAX PURPOSES.

ARTICLE 16.

MISCELLANEOUS

16.1. Notices. All notices under this Agreement shall be in writing and shall be given to the parties at the addresses herein set forth and to the Partnership at its principal office, or at such other address as any of the parties may hereafter specify in the same manner. Notices shall be deemed duly given two business days after their deposit, postage prepaid, in the United States Mails.

16.2. Agreement in Counterparts. This Agreement may be executed in counterparts and all so executed shall constitute one agreement, binding on all the parties hereto, notwithstanding that all of the parties are not signatories to the original or the same counterpart.

16.3. Survival of Rights. Except as herein otherwise provided to the contrary, this Agreement shall be binding upon and inure to the benefit of the parties signatory

hereto, their personal representatives and assigns.

16.4. Paragraph Headings. The paragraph headings in no way define, limit, extend or interpret the scope of this Agreement or of any particular paragraph.

16.5. Additional Documents. Each party hereto agrees to execute, with acknowledgement or affidavit if required, any and all documents and writings which may be necessary or expedient in the creation of this Partnership and the achievement of its purposes.

16.6. Interpretation. When the context in which words are used in this Agreement indicates that such is the intent, words in the singular number shall include the plural and words in the masculine gender shall include the feminine and neuter gender and vice versa.

16.7. Validity. In the event that any provision of this Agreement shall be held to be invalid, the same shall not affect in any respect whatsoever the validity of the remainder of this Agreement.

16.8. Amendments. This Limited Partnership Agreement may be amended by a written agreement executed by the General Partner and a majority in interest of the Limited Partners.

16.9. Arbitration. If any controversy or claim arising out of this Agreement cannot be settled by the Partners, it shall be settled by arbitration in accordance with the rules of the American Arbitration Association then in effect, and judgment on the award may be entered in any court

having jurisdiction thereof.

16.10. Governing Law. This Agreement shall be construed in accordance with, and governed by, the laws of the State of Nevada.

16.11. Elections Made by Limited Partnership. All elections required or permitted to be made by the Limited Partnership under the Internal Revenue Code shall be made by the General Partner in such manner as will in their judgment be most advantageous to a majority in interest of the Limited Partners.

16.12. Liability of General Partner. The General Partner shall not be liable to the Limited Partners or the Partnership for any act or omission performed or committed in good faith and in pursuance of the authority granted except for their fraud, gross negligence, or wilful breach of this Agreement. The General Partner shall be entitled to an indemnification by the Partnership (but not by any Limited Partner personally) for and against any loss, cost, damage, claim, expense or liability arising out of or incurred by virtue of any act or omission performed in good faith on behalf of the Partnership in a manner believed by it to be within its authority as General Partner.

16.13. Suit Among Partners. In the event any Partner shall bring suit against any other Partner or Partners for any matter arising out of this Agreement, the losing party shall pay the prevailing party's court costs and reasonable attorney's fees.

ARTICLE 17.

COMPLIANCE WITH SECURITIES LAWS

THE LIMITED PARTNERSHIP INTERESTS EVIDENCED BY THIS AGREEMENT HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION, BUT HAVE BEEN ISSUED PURSUANT TO THE PRIVATE OFFERING EXEMPTION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND RULE 504 OF THE SECURITIES AND EXCHANGE COMMISSION. ACCORDINGLY, THE SALE, TRANSFER, PLEDGE, HYPOTHECATION, OR OTHER DISPOSITION OF ANY LIMITED PARTNERSHIP INTEREST IS RESTRICTED AND MAY NOT BE ACCOMPLISHED EXCEPT IN ACCORDANCE WITH THIS AGREEMENT AND BY FILING AN APPLICABLE REGISTRATION STATEMENT OR BY OBTAINING AN OPINION OF COUNSEL FOR THE PARTNERSHIP (SATISFACTORY TO THE GENERAL PARTNER) THAT A REGISTRATION STATEMENT IS UNNECESSARY. NO SALE, OFFER TO SELL, TRANSFER, HYPOTHECATION, PLEDGE OR OTHER DISPOSITION OF AN INTEREST IN THE LIMITED PARTNERSHIP MAY BE MADE OTHER THAN PURSUANT TO THE PROVISIONS OF THIS AGREEMENT.

THE LIMITED PARTNERSHIP INTERESTS EVIDENCED BY THIS AGREEMENT HAVE NOT BEEN REGISTERED WITH THE NEVADA DEPARTMENT OF SECURITIES OR ANY GOVERNMENTAL OFFICIAL OF ANY OTHER STATE.

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IN WITNESS WHEREOF, the parties hereto agree to the formation of the Limited Partnership entitled CAPITAL FORESIGHT LIMITED PARTNERSHIP, a Nevada Limited Partnership, as of the 6th day of Feb, 1991.

NATY SAIDOFF

By _____
NATY SAIDOFF

THE DOUBLE J. TRUST

By _____
YEHUDIT RAZ, Trustee

SCHEDULE "A"

LIMITED PARTNER	INITIAL CAPITAL CONTRIBUTION	PERCENTAGE INTEREST
The Double J. Trust 3305 W. Spring Mountain Rd. Las Vegas, Nevada 89102	$540,000.00	80%

SCHEDULE "B"

GENERAL PARTNER	CONTRIBUTION	INTEREST
Naty Saidoff 550 So. Hill Street Suite 1155 Los Angeles, CA 90013	A Twenty Percent (20%) interest in the General Partner's Seventy Percent (70%) interest of the Route 95-Rancho Road Joint Venture, with a cost basis therein of $175,000.00 (.2 x $875,000.00)	20%

(1)

File No. 155377

Hays County

Agreement

Date Filed: 11-30-05

Jerry E. Patterson, Commissioner

By Isabel Alfaro

SCANNED
DATE 10-2-07

FIRST AMENDMENT TO AGREEMENT OF LIMITED PARTNERSHIP

FOR

THE CAPITAL FORESIGHT LIMITED PARTNERSHIP

This is a First Amendment, dated October 20, 1997, to that certain Agreement of Limited Partnership (the "Agreement") for The Capital Foresight Limited Partnership, a Nevada limited partnership ("Partnership"), made and entered into on February 6, 1991, by and between Naty Saidoff, a California resident (the "General Partner") and Yehudit Raz, Trustee of the Double Jay Trust (the "Limited Partner").

The Agreement is hereby amended in the following particulars only:

1. **Article 7, Section 7.1, paragraph (c), on page 6 of the Agreement is hereby amended to read and provide as follows:**

(c) To develop, sell, lease, or otherwise exploit the assets of the Partnership; to bind the Partnership as a director, officer, shareholder, member, manager, or partner of any entity, and, in such capacity, to perform on behalf of the Partnership all duties associated therewith, including borrowing funds for any such entity or guaranteeing the indebtedness of any such entity.

All other terms and provisions of the Agreement shall remain unchanged and in full force and effect.

The above amendment is not intended to vitiate any prior actions by the General Partner through or by which the Partnership has become a director, officer, shareholder, member, manager, or partner of or in any entity, or any prior actions by the General Partner in connection with the performance of any duties associated therewith including borrowing funds for any such entity or guaranteeing the indebtedness of any such entity; instead, the foregoing amendment is intended by the partners to clarify and expressly describe the powers granted to the General Partner under the original terms of the

Agreement. The parties by executing this document hereby ratify and affirm all prior actions by the General Partner through or by which the Partnership has become a director, officer, shareholder, member, manager, or partner of or in any entity, and further ratify and affirm all prior actions by the General Partner in the performance of all duties associated therewith including borrowing funds for any such entity or guaranteeing the indebtedness of any such entity.

This First Amendment may be executed in several counterparts and all counterparts so executed shall constitute one agreement, binding upon the Partnership and all of its partners, notwithstanding that not all of the partners are signatories to the original of the same counterpart. The General Partner is authorized to remove the signature pages of this instrument from any counterpart copy and attach such signature page to a single instrument so that the original signatures of all partners will be physically attached to the same document. A copy of this First Amendment which is fully executed shall be as effective as an original.

GENERAL PARTNER:

Naty Saidoff

LIMITED PARTNER:
Double Jay Trust

By: _____
Yehudit Raz as Trustee

Agreement. The parties by executing this document hereby ratify and affirm all prior actions by the General Partner through or by which the Partnership has become a director, officer, shareholder, member, manager, or partner of or in any entity, and further ratify and affirm all prior actions by the General Partner in the performance of all duties associated therewith including borrowing funds for any such entity or guaranteeing the indebtedness of any such entity.

This First Amendment may be executed in several counterparts and all counterparts so executed shall constitute one agreement, binding upon the Partnership and all of its partners, notwithstanding that not all of the partners are signatories to the original of the same counterpart. The General Partner is authorized to remove the signature pages of this instrument from any counterpart copy and attach such signature page to a single instrument so that the original signatures of all partners will be physically attached to the same document. A copy of this First Amendment which is fully executed shall be as effective as an original.

GENERAL PARTNER:

Naty Saidoff

LIMITED PARTNER:
Double Jay Trust

By: _____
Yehudit Raz as Trustee

(2)

File No. 155377

Hays County

First Amend. to Agreement

Date Filed: 11-30-05

Jerry E. Patterson, Commissioner

By Isabel Alfaro

SCANNED
DATE 6-2-07

SECOND AMENDMENT TO AGREEMENT OF LIMITED PARTNERSHIP FOR THE CAPITAL FORESIGHT LIMITED PARTNERSHIP

This is a Second Amendment, dated May 21, 1999 to that certain Agreement of Limited Partnership dated February 6, 1991 and amended by a First Amendment dated October 20, 1997 (collectively the "Agreement") for The Capital Foresight Limited Partnership, a Nevada limited partnership ("Partnership")

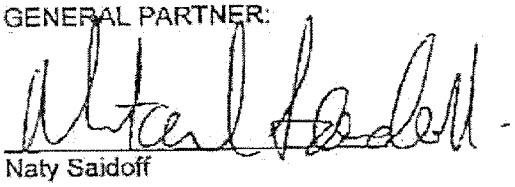
The Agreement is hereby amended in the following particulars only:

Article 4. Term of the Partnership is hereby amended to read and provide as follows:

The term of the partnership shall commence upon the recording of the Certificate, and shall continue until the death or legal disability of the General Partner, unless terminated at an earlier date pursuant to any provision of this Agreement. However, the death or legal disability of the General Partner shall not cause termination of the partnership if, within 90 days after the death or legal disability of the General Partner all the remaining partners agree in writing to continue the business of the limited partnership and to the appointment of one or more general partners if necessary or desired. In no event will the partnership voluntarily dissolve until December 31, 2031.

All other terms and provisions of the Agreement shall remain unchanged and in full force and effect.

GENERAL PARTNER:



Naty Saidoff

LIMITED PARTNER, DOUBLE J TRUST:

Haim Dayan, Trustee

28 Apr 02 16:36

(3)

File No. 155377

Hays County

Second Amend. to Agreement

Date Filed: 11-30-05

Jerry E. Patterson, Commissioner

By Isabel Alfaro

SCANNED
DATE 10-2-07

THIRD AMENDMENT TO AGREEMENT OF LIMITED PARTNERSHIP FOR THE CAPITAL FORESIGHT LIMITED PARTNERSHIP

This is a Third Amendment, dated March 20, 2002 to that certain Agreement of Limited Partnership dated February 6, 1991 and amended by a First Amendment dated October 20, 1997 and a Second Amendment dated May 21, 1999 (collectively the "Agreement") for The Capital Foresight Limited Partnership, a Nevada limited partnership ("Partnership")

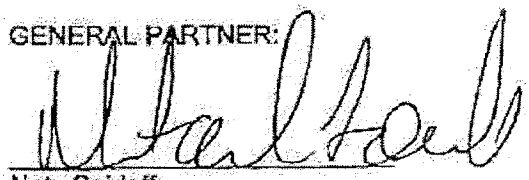
The Agreement is hereby amended in the following particulars only:

Article 4. Term of the Partnership is hereby amended to read and provide as follows:

The term of the partnership shall commence upon the recording of the Certificate, and shall continue until the death or legal disability of the General Partner, unless terminated at an earlier date pursuant to any provision of this Agreement. However, the death or legal disability of the General Partner shall not cause termination of the partnership if, within 90 days after the death or legal disability of the General Partner all the remaining partners agree in writing to continue the business of the limited partnership and to the appointment of one or more general partners if necessary or desired. In no event will the partnership voluntarily dissolve until December 31, 2042.

All other terms and provisions of the Agreement shall remain unchanged and in full force and effect.

GENERAL PARTNER:



Naty Saidoff

LIMITED PARTNER, DOUBLE J TRUST:

Haim Dayan, Trustee

28 Apr 02 16:36

(4)

File No. 155377

Hays County

Third Amend. to Agreement

Date Filed: 11-30-05

Jerry E. Patterson, Commissioner

By Isabel Alfaro

SCANNED
DATE 10-2-07

MEMORANDUM

Texas General Land Office • Jerry Patterson • Commissioner

TEXAS GENERAL LAND OFFICE
ON BEHALF OF THE
PERMANENT SCHOOL FUND
TO THE
SCHOOL LAND BOARD

SUBJECT: **Consideration and possible action on proposed contract for PSF acquisition of approximately 107.00 acres of land, out of the JM Veramendi Survey, Abstract 88, San Marcos, Hays County, Texas and waiver of the 1.50% acquisition fee.**

ITEM NUMBER: 12

ATTACHMENTS: 2

ACTION: X

DATE OF MEETING: February 15, 2005

INFORMATION: _____

PRESENTER(S): Vince Franco

Authority

Texas Natural Resources Code 51.402

Executive Summary

Asset Management requests The Board to consider the acquisition of a ±107.00 acre tract of land located along the west line of IH-35 Frontage, just north of it's intersection with McCarty Lane, San Marcos, Hays County, TX. Staff has concluded after research and analysis of market activity and review of comparable sales over the recent past, this tract is considered a good investment for the Permanent School Fund (PSF).

Background

The property is presently a vacant and partially developed tract of land that is located within the city limits of San Marcos, TX. The site is considered to be located in a growth area of San Marcos. The site is irregular in shape and the terrain is level to sloping, and typical of the area west of IH-35 in San Marcos.

The site is located in an area that is primarily light industrial in nature. However, many of the newer uses have changed to include some type of retail development. Gillman Mitsubishi purchased an 8.40 acre portion of the original 121.50 acre tract. Automobile dealers generally search for high visibility locations and the change to retail along the frontage of IH-35 appears to be a logical one. The site is in the general vicinity of the "Outlet Malls" located across IH-35 and the proposed use for the subject property: "San Marcos Outlet Park" calls for mixed-use retail, entertainment, distribution warehouse. It has also been suggested that the rear portion of the site that fronts the Missouri, Kansas and Texas Railroad would be an excellent site for a company that requires rail access for shipping and / or deliveries; perhaps a vendor for the new Toyota plant located in San Antonio.

Conclusion

Sales activity in the area has picked up substantially and overall growth of Hays County is estimated to be over 15% over the next two to three years. Other sites have sold for a range of $0.50 to $5.00, depending on size and location. The latter was the sale of a multi-family site and was substantially smaller than the subject property.

Considering the activity in the immediate area, the existence of the limited available sites in the IH-35 corridor in San Marcos and the boom in residential housing and support commercial / retail development, it is reasonable to assume that the need for additional retail developments as well as other commercial and light industrial uses will continue over the next three to five years. The site will need minimal maintenance to hold for a five-year period and should generate an IRR in excess of the PSF minimum criteria or approximately 8.74% for a three year hold and approximately 7.39% for a five year hold based on current transactions and anticipated appreciation trends for San Marcos / Hays County.

Recommendation

Staff recommends execution of a contract subject to a Feasibility Period whereby further research will be conducted including an appraisal, an acceptable survey and title conveyance as being in the best interest of the Permanent School Fund.

Date Prepared: January 31, 2005

By:

Vincent F. Franco
Asset Manager

Approved by:

Bob Hewgley
Director of Real Estate
Texas General Land Office

Richard B. Tanner
Deputy Commissioner, Asset Management
Texas General Land Office

Review and Concur:

JERRY E. PATTERSON
Commissioner of the General Land Office and Chairman of the Board

(5)

File No. 155377

Hays County

SLB Mems - Contract

Date Filed: 11-30-05

Jerry E. Patterson, Commissioner

By Isabel Alfaro

SCANNED
DATE 10-2-07

MINUTES
SCHOOL LAND BOARD MEETING
TUESDAY, FEBRUARY 15, 2005

The School Land Board of the State of Texas met on Tuesday, February 15, 2005 at 10:00 A.M. in Room 940A of the Stephen F. Austin Building, Austin, Texas, with the following members present: Jerry Patterson, Chairman of the Board and Commissioner of the General Land Office; Larry Laine, Deputy Land Commissioner and Chief Clerk of the General Land Office; Bill Warnick, General Counsel; Todd Barth and David Herrmann, Board Members. Also present were Stacy De Leon, Executive Secretary to the Board; LaNell Aston, and James LeGrand, Executive Division; Rene Truan, Mark McAnally, Ben Thomson, Bridget Brundrett, Tony Williams, Ned Polk, Julie Fielder, Amy Kolterman, Mandy Rincon, Professional Services Division; Bo Tanner, Susan Sugarek, Bob Hewgley, James Boudreau, Clay Chenault, Rodney Gray, Asset Management Division; Daryl Morgan, Peter Boone, Robert Hatter, Energy Resources Division; Charles Richards, Jane Sarosdy, Bob Moreland, Noelle Letteri, Tom Cengel, T.R. Thompson, Legal Services Division; Helen Young, Internal Audit Division, Paul Sturrock, Communications Division; Ernest Garza, Information Systems Division.

Also in attendance was Ken Wharton representing himself and Cabin Permit PC1029, Austin, Texas.

Chairman Patterson called the meeting to order at 10:00 A.M.

Motion was made by Mr. Herrmann and seconded by Mr. Barth to approve the minutes from the February 1, 2005 School Land Board Meeting. Motion carried unanimously.

Peter Boone presented information on Item No. 2, consideration and action on pooling applications. Motion was made by Mr. Barth and seconded by Mr. Herrmann to approve Item No. 2-A, an application by Antero Resources I, L.P., Copeland Unit D2, State Lease: MF104255, Tarrant County, according to staff's recommendation, a copy of which is attached hereto as **Exhibit – A**. Motion carried unanimously.

Motion was made by Mr. Herrmann and seconded by Mr. Barth to approve Item No. 2-B, an application by Antero Resources I, L.P., Copeland Unit F 1H Well, State Lease: MF104255, Tarrant County, according to staff's recommendation, a copy of which is attached hereto as **Exhibit – B**. Motion carried unanimously.

Motion was made by Mr. Barth and seconded by Mr. Herrmann to approve Item No. 2-C, an application by Endeavor Energy Resources, L.P., Texas American Syndicate "20" #1-H Unit, State Leases: MF104545 and MF104546, Pecos County, according to staff's recommendation, a copy of which is attached hereto as **Exhibit – C**. Motion carried unanimously.

Motion was made by Mr. Herrmann and seconded by Mr. Barth to approve Item No. 2-D, an application by BOSS Exploration & Production Corporation, State Tract 170-1 Unit, State Leases: MF102876, MF102877 and MF102878, Matagorda County, according to staff's recommendation, a copy of which is attached hereto as **Exhibit – D**. Motion carried unanimously.

Motion was made by Mr. Barth and seconded by Mr. Herrmann to approve Item No. 2-E, an application by Endeavor Energy Resources, L.P., Denton State School Unit 1H, State Lease: MF103800, Denton County, according to staff's recommendation, a copy of which is attached hereto as **Exhibit – E**. Motion carried unanimously.

Tony Williams presented information on Item No. 3, consideration and action on Coastal Easements on Coastal Public Lands. Motion was made by Mr. Herrmann and seconded by Mr. Barth to approve Item No. 3-A, a renewal, CE20000239, Ridge Two Property Owners' Association, Inc., Copano Bay, Aransas County, according to staff's recommendation, a copy of which is attached hereto as **Exhibit – F**. Motion carried unanimously.

Tony Williams presented information on Item No. 4, consideration and action on Commercial Easements on Coastal Public Lands. Motion was made by Mr. Barth and seconded by Mr. Herrmann to approve Item No. 4-A, a new application, LC20040036, Helen A. Casterline, State Tract 122, Aransas Bay, Aransas County, according to staff's recommendation, a copy of which is attached hereto as **Exhibit – G**. Motion carried unanimously.

Motion was made by Mr. Herrmann and seconded by Mr. Barth to approve Item No. 4-B, a new application, LC20050010, E. Ward Properties, No. 3 LTD, LLP, Colorado River, Matagorda County, according to staff's recommendation, a copy of which is attached hereto as **Exhibit – H**. Motion carried unanimously.

Motion was made by Mr. Barth and seconded by Mr. Herrmann to approve Item No. 4-C, a new application, LC20050011, Arthur J. & Sue K. Milberger, Colorado River, Matagorda County, according to staff's recommendation, a copy of which is attached hereto as **Exhibit – I**. Motion carried unanimously.

Tony Williams presented information on Item No. 5, consideration and action on Coastal Leases on Coastal Public Lands. Motion was made by Mr. Herrmann and seconded by Mr. Barth to approve Item No. 5-A, an amendment, CL19990014, City of Palacios, Tres Palacios Bay, Matagorda County, according to staff's recommendation, a copy of which is attached hereto as **Exhibit – J**. Motion carried unanimously.

Bridget Brundrett presented information on Item No. 6, consideration and action on Cabin Permits on Coastal Public Lands. Motion was made by Mr. Herrmann and seconded by Mr. Barth to approve Item No. 6, A – J, all renewals: **A.** PC1029, Kenneth Wharton, Aransas Bay, Aransas County; **B.** PC1106, V T Alison, Laguna Madre, Kenedy County; **C.** PC1220, Tony Benson, Laguna Madre, Cameron County; **D.** PC1223, Laguna Madre Cabin

1. **Parties:**

Seller(s): Capital Foresight Limited Partnership

Attn Naty Saidoff
2980 Beverly Glen Circle, # 201
Bel Air, CA 90077

Seller's Address: Capital Foresight Limited Partnership

Attn Naty Saidoff
2980 Beverly Glen Circle, # 201
Bel Air, CA 90077

W/copy to :
John Goldstone
1304 Summit #108
Austin, TX 78741
Phone : 512-707-3186
FAX : 512-707-3188

Buyer: The State of Texas, for the use and benefit of the Permanent School Fund, acting by and through the Commissioner of the General Land Office and Chairman of the School Land Board, on behalf of the Permanent School Fund, pursuant to the authority granted under Texas Natural Resources Code §51.402

Buyer's Address 1700 North Congress Avenue, Room 910, Austin, Texas 78701

2. **Identity of Title Company:**

The title company to be used in this transaction ("Title Company") is Land America Title Company, 1515 Capitol of Texas Highway South, 5th Floor, Austin, TX 78746, attention Mona McMahan, Vice President, Phone: 512-347-3706 / FAX: 512-306-0989

3. **Property:**

The property that is the subject of this Contract consists of approximately 112 acres of land out of the JM Veramendi Survey, Abstract 88, San Marcos, Hays County, Texas. The property is located along the West line of Interstate Highway 35, just North of McCarty Lane and the East line of the Union Pacific Railroad track. Exhibit "A" attached hereto provided by Seller is a metes and bounds description of the property, save and except an 8.39 acre tract described in Exhibit "B"(collectively, "Property").

Permit 001223 Partnership, Laguna Madre, Kenedy County; **E.** PC1264, Bob Moyer, Laguna Madre, Willacy County; **F.** PC1276, Michael and Jimmie McCraw, Laguna Madre, Willacy County; **G.** PC1298, W.F. Dugat, Corpus Christi Bay, Nueces County; **H.** PC1349, Larry Birney, Laguna Madre, Kenedy County; **I.** PC1413, Honey Hole Partnership, Laguna Madre, Willacy County; **J.** PC1510, David Decherd, Laguna Madre, Kleberg County, according to staff's recommendation, a copy of which is attached hereto as **Exhibit – K**. Motion carried unanimously.

Motion was made by Mr. Barth and seconded by Mr. Herrmann to approve Item No. 6-K, a transfer, PC1081, Wesley A. Abraham, Espiritu Santo Bay, Calhoun County, according to staff's recommendation, a copy of which is attached hereto as **Exhibit – L**. Motion carried unanimously.

Tony Williams presented information on Item No. 7, consideration and possible action on approval for publication of proposed changes to Title 31, Texas Administrative Code §§ 155.4 and 155.15, authorizing the Land Commissioner to approve of certain cabin permit renewals and the re-issuance of abandoned and previously terminated cabin permits by bid process and providing for applicable fees. Motion was made by Mr. Herrmann and seconded by Mr. Barth to approve Item No. 7 according to staff's recommendation, a copy of which is attached hereto as **Exhibit – M**. Motion carried unanimously.

Susan Sugarek presented information on Item No. 8, consideration and possible action to pull Permanent School Fund land, File No. 126428, 475.92 acres, Section 30, Block 58, Township 2, T. & P. Ry. Co. Survey, Culberson County, from the March 15, 2005 sealed bid land sale. Motion was made by Mr. Barth and seconded by Mr. Herrmann to approve Item No. 8 according to staff's recommendation, a copy of which is attached hereto as **Exhibit – N**. Motion carried unanimously.

Clay Chenault presented information on Item No. 9, consideration and possible action on applications to purchase Permanent School Fund land in the T. & P. Ry. Co. Survey, Culberson County, Texas, by direct cash sale by Texas Pacific Land Trust of 1700 Pacific Avenue, Suite 1670, Dallas, Texas, 75201: **A.** Township 2, Block 61, Section 42, 668.45 acres, File No. 118097; **B.** Township 2, Block 61, Section 32, West Part, 380.0 acres, File Nos. 102389, 130078, 130079; **C.** Township 2, Block 60, Section 18, North Half, 341.0 acres, File No. 145106; **D.** Township 2, Block 60, Section 12, 675.55 acres, File No. 101819; **E.** Township 2, Block 60, Section 2, 679.0 acres, File No. 101818; **F.** Township 2, Block 59, Section 42, 675.0 acres, File No. 111616; **G.** Township 2, Block 58, Section 30, 475.92 acres, File No. 126428; **H.** Township 2, Block 58, Section 8, 640.0 acres, File No. 131703; **I.** Township 1, Block 59, Section 30, 681.0 acres, File No. 107344, 132637. Motion was made by Mr. Herrmann and seconded by Mr. Barth to approve Item No. 9 according to staff's recommendation, a copy of which is attached hereto as **Exhibit – O**. Motion carried unanimously.

The School Land Board entered into Closed Session at 10:38 A.M. pursuant to Chapter 551, Subchapter D, Texas Government Code Section 551.07, relating to Item No. **10**, consideration and possible action on proposed contract for PSF acquisition of

345.337 acres in two separate parcels: 168.937 acres out of the Hopkins Davidson Survey, Abstract Number 437, the I. & G. N. R. R. Co. Survey, Abstract Number 827 and the James H. Eastman Survey, Abstract Number 501, Tarrant County, Texas; and 176.4 acres out of the William McCowan Survey, Abstract 999, Tarrant County, Texas; Item No. **11**, consideration and possible action on the proposed terms of a transaction with the Port of Corpus Christi, Nueces County, Texas; Item No. **12**, consideration and possible action on proposed contract for PSF acquisition of approximately 107.00 acres of land, out of the JM Veramendi Survey, Abstract 88, San Marcos, Hays County, Texas and waiver of the 1.50% acquisition fee; Item No. **13**, consideration and possible action on proposed contract for PSF acquisition of approximately 2,317 acres otherwise known as The Rancho Sierra Tract, being +/- 2,317 acres, being various tracts out of various Surveys and Abstracts, Bexar County and Kendall County, Texas; Item No. **14**, consideration and possible action on an Amendment to Contract to Purchase related to PSF acquisition of approximately 102.79 acres of land out of the Westland Business Park, Harris County, Texas and possible action regarding pending or contemplated litigation and/or settlement offers, or to seek or receive attorney advice or counsel.

The School Land Board reconvened into Open Session at 11:42 A.M. No action was taken during Closed Session.

Bo Tanner presented information on Item No. 10, consideration and possible action on proposed contract for PSF acquisition of 345.337 acres in two separate parcels: 168.937 acres out of the Hopkins Davidson Survey, Abstract Number 437, the I. & G. N. R. R. Co. Survey, Abstract Number 827 and the James H. Eastman Survey, Abstract Number 501, Tarrant County, Texas; and 176.4 acres out of the William McCowan Survey, Abstract 999, Tarrant County, Texas. Motion was made by Mr. Barth and seconded by Mr. Herrmann to approve Item No. 10 according to staff's recommendation. Staff recommended that the Board authorize the Land Commissioner to negotiate a Purchase Contract for the acquisition of Synergy Park East and Synergy Park West for an amount not to exceed the appraised value and subject to validation of the Environmental Site Assessments previously prepared, a Title Policy Commitment Letter that indicates no issues affecting title to the property that cannot be removed by closing and a current survey. Motion carried unanimously.

Item No. 11 required no action by the Board. Therefore, no action was taken.

Bo Tanner presented information on Item No. 12, consideration and possible action on proposed contract for PSF acquisition of approximately 107.00 acres of land, out of the JM Veramendi Survey, Abstract 88, San Marcos, Hays County, Texas and waiver of the 1.50% acquisition fee. Motion was made by Mr. Herrmann and seconded by Mr. Barth to approve Item No. 12 according to staff's recommendation. Staff recommended that the Board authorize the execution of a contract subject to a Feasibility Period whereby further research will be conducted including an appraisal, an acceptable survey and title conveyance. Motion carried unanimously.

Bo Tanner presented information on Item No. 13, consideration and possible action on proposed contract for PSF acquisition of approximately 2,317 acres otherwise

known as The Rancho Sierra Tract, being +/- 2,317 acres, being various tracts out of various Surveys and Abstracts, Bexar County and Kendall County, Texas. Motion was made by Mr. Barth and seconded by Mr. Herrmann to approve Item No. 13 according to staff's recommendation. Staff recommended that the Board authorize the execution of a contract subject to a Feasibility Period whereby further research will be conducted including an appraisal, an acceptable survey and title conveyance. Motion carried unanimously.

Bo Tanner presented information on Item No. 14, consideration and possible action on an Amendment to Contract to Purchase related to PSF acquisition of approximately 102.79 acres of land out of the Westland Business Park, Harris County, Texas. Motion was made by Mr. Herrmann and seconded by Mr. Barth to approve Item No. 14 according to staff's recommendation. Staff recommended that the Board defer a decision regarding a proposed amendment to the current contract for the above-mentioned acquisition until the March 1, 2005 School Land Board meeting and allow staff and the seller to gather information from the affected school district regarding the forward payment of taxes. Motion carried unanimously.

There being no further business before the School Land Board, the meeting was adjourned at 11:48 A.M.

ATTEST:

Stacy De Leon, Executive Secretary to the Board

APPROVE:

Jerry E. Patterson, Commissioner of the General Land Office and Chairman of the Board

(f6)

File No. 155377

Hays County

SLB Minutes - Contract

Date Filed: 11-30-05

Jerry E. Patterson, Commissioner

By Isabel Alfaro

SCANNED
DATE 10-2-07

LAND TITLE SURVEY

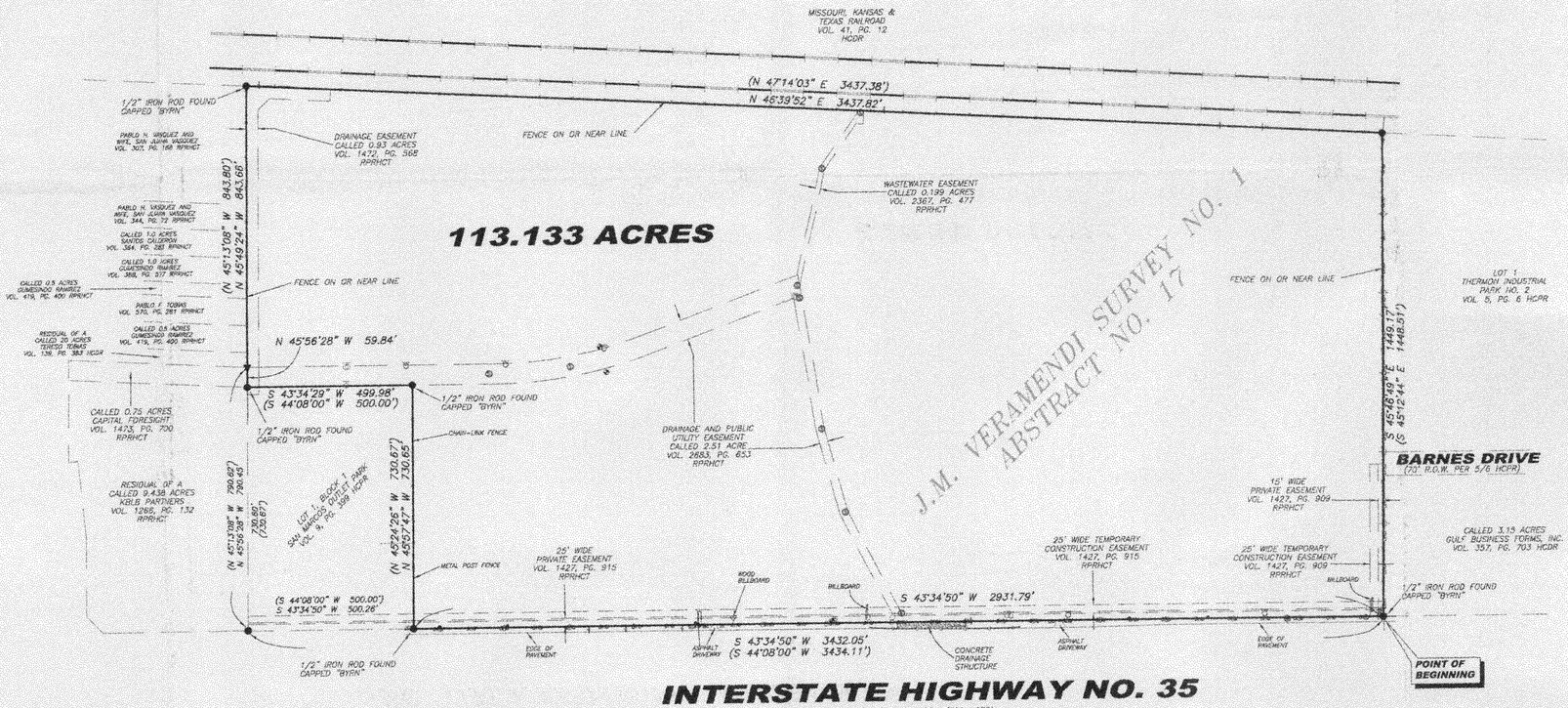
Legal Description: Being a 113.133 acre tract of land out of and part of the J.M. Veramendi Survey No. 1, Abstract No. 17, in Hays County, Texas, said 113.133 acre tract being out of and part of a 121.52 acre tract conveyed to Capital Foresight Limited Partnership recorded in Volume 1336, Page 595 of the Official Public Records of Hays County, Texas.

THIS SURVEY ACCOMPANIES A SEPARATE PERIMETER DESCRIPTION.

Legend

HCPR	= Hays County Plat Records
HCDR	= Hays County Deed Records
OPRHCT	= Official Public Records Hays County, Texas
RPRHCT	= Real Property Records Hays County, Texas
(xxxxx)	= Denotes Record Data
OHU	= Overhead Utilities
●	= 1/2" Iron Rod Found, unless noted otherwise
▼	= Mag Nail Found In Concrete
-O-	= Power Pole
WM	= Water Meter
WV	= Water Valve
FH	= Fire Hydrant
SC	= Sewer Cleanout
SMH	= Sanitary Sewer Manhole
▲	= Telephone Pedestal
⊣	= Traffic Sign

File No. 155379 (3)
Hays County
Survey Plat
Date Filed: 11-30-05
Jerry E. Patterson, Commissioner
By: Isabel Alfaro



Surveyor's Notes:
No TDH search was performed by the surveyor. All reference made to documents of record were taken from a Title Commitment by Landamerica Austin Title Company and having an effective date of 05-17-2005 and a GF No. 2420007783.
All underground utilities have not been located by this surveyor. The hereon signed Registered Professional Land Surveyor makes no warranty as to the existence or location of any such utility, whether serving the subject tract or for the purpose of servicing other properties.
Subsurface and environmental conditions were not examined or considered as a part of this survey. The word "certify" or "certification" as shown and used hereon means an expression of professional opinion regarding the facts of the survey and does not constitute a warranty or guarantee, expressed or implied.

Horizontal Datum:
All bearings hereon are based upon the Texas State Plane Coordinate System, NAD83/93 HARN, Texas South Central Zone (U.S. Survey Feet). All distances shown hereon are surface distances. The State Plane End to Project Surface Adjustment Scale Factor is 1.00013.

Easement Notes:
10.f. Maybe subject to easement granted to Texas Public Utilities Company recorded in Vol. 90, Pg. 342 of the RPRHCT, but due to the unidentable description given we are unable to accurately locate said easement as it relates to the subject tract.
10.g. Subject to easement granted to the City of San Marcos recorded in Vol. 1015, Pg. 870 of the RPRHCT, as shown hereon.
10.h. Subject to easement granted to the City of San Marcos recorded in Vol. 1427, Pg. 909 of the RPRHCT, as shown hereon.
10.i. Subject to easement granted to the City of San Marcos recorded in Vol. 1427, Pg. 915 of the RPRHCT, as shown hereon.
10.j. Subject to easement granted to KBJB Partners recorded in Vol. 1472, Pg. 568 of the RPRHCT, as shown hereon.
10.k. Subject to easement granted to the City of San Marcos recorded in Vol. 2367, Pg. 477 of the RPRHCT, as shown hereon.
10.l. Subject to deed defloating drainage and public utility easement to the City of San Marcos recorded in Vol. 2683, Pg. 653 of the RPRHCT, as shown hereon.
10.m. Subject to terms, conditions and stipulations contained in Public Improvement Construction and Financing Agreement recorded in Vol. 848, Pg. 234 of the RPRHCT.

Flood Note:
The lot shown hereon is located in Zone X, A & AE and is an interpolation of the information from a 1" = 500' scale Federal Emergency Management Agency Flood Insurance Rate Map for the City of San Marcos, Texas Community Panel # 485505 0027 E, with an effective date of February 18, 1998 and such flood information is to be used only for the purposes of flood insurance. This surveyor does not assume responsibility for the accuracy of said map.

I, Charles G. Walker, do hereby certify exclusively to:
-The State of Texas for the use and benefit of the Permanent School Fund, Landamerica Austin Title and Lawyers Title Insurance Corporation
This plat represents a survey made on the ground of the property legally described hereon. There are no apparent discrepancies, encroachments, overlapping of improvements, obviously visible public utilities or roads in place except as shown hereon. Said property adjoins a public roadway.

Charles G. Walker
Registered Professional Land Surveyor
Number 5083
Date of field survey June 15, 2005

ACAD Tech: JG
Field Crew: JG/TH/KR
Field Book: 018/052-055

WALKER
TEXAS SURVEYORS
P.O. Box 324
Cedar Park, Texas 78630-0324
Phone (512)-259-3361
Job No.: 341091

Contract To Purchase
112 Acre Tract, San Marcos,
Hays County, Texas

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Any discrepancies between the Property and the legal description more particularly described by the survey required hereinafter and upon approval by Chief Surveyor of the General Land Office, as a revised property description shall be conveyed by a special warranty deed.

Notwithstanding anything contained herein to the contrary, in the event that there are any discrepancies between the Property description set forth on Exhibit A and the revised property description as shown by the Survey, Seller may terminate this Contract by giving written notice to Buyer. The property to be conveyed to Buyer includes, all and singular, all rights and appurtenances pertaining to the land, including all oil and gas and other minerals, and including any right, title, or interest of Seller in and to adjacent strips, gores, streets, alleys, or rights-of-way. "Property" also includes all improvements on the land, if any, and all right, title and interest of Seller, if any, in and to the fixtures and articles of personal property, if any, affixed to the land or the improvements thereon.

4. Purchase and Sale:

Subject to the terms of this Contract, Seller will sell the Property to Buyer, and Buyer will purchase the Property from Seller.

5. Sales Price:

5.1 The Sales Price for the Property is $0.99 per gross surveyed square foot, as determined from the gross acreage (as hereinafter defined) provided that in no event will Buyer pay more than fair market value determined in accordance with V.A.T.S., Natural Resources Code, Chapter 51, payable at closing in good funds as defined in paragraph 5.2 hereinafter. In the event that it is determined that the fair market value of the property is determined to be less than $0.99 per gross surveyed square foot, either party may terminate this contract within 20 days from receipt of such determination.

5.2 Subject to the Special Provisions, the Sales Price is due at "Closing" (as hereinafter defined). The sales price may be paid in the form of (i) the transfer of immediately available funds to the Title Company. (ii) a warrant on the State Treasury, or (iii) such other means of electronic or other transfer of immediately available funds as the Comptroller of Public Accounts allows. Notwithstanding anything to the contrary contained herein, Seller shall collect immediately available funds at the Closing.

6. Earnest Money:

No earnest money is required under this Contract. Buyer will deliver to Seller, within 10 days after execution of this Contract by Buyer, $50.00 as independent consideration ("Independent Consideration"), in addition to and independent of any other consideration provided for hereunder. The Independent Consideration is nonrefundable, and Seller can retain it under all circumstances. Seller acknowledges the sufficiency of the Independent Consideration to solely support this Contract. The $50.00 is not a credit against the Sales Price.

7. Acquisition Fee, Closing Costs:

The School Land Board has waived the 1½% acquisition fee required by 31 Texas Administrative Code § 154.11 with respect to this transaction.

8. Title Commitment and Survey: Seller's Title Warranties:

8.1 Seller will pay for Buyer's owner's policy of title insurance incident to this transaction. Within 10 days after the "Effective Date" (as hereinafter defined) of this Contract, Seller must instruct the Title Company to deliver to Buyer:

(a) a title commitment prepared in accordance with the instructions contained below ("Title Commitment") covering the Property, and or revised property (upon receipt of survey) and binding the Title Company to issue an Owner's Policy of Title Insurance on the standard form of policy prescribed by the Texas State Board of Insurance "as of" Closing in the full amount of the Sales Price; and

(b) copies of any and all instruments referred to in Schedules B and C of the Title Commitment that constitute encumbrances against the Property at the date of the Title Commitment.

8.2 The parties further instruct the Title Company that the Title Commitment must comply with the following requirements:

(a) the exception for restrictive covenants must be deleted or, if applicable, specifically refer to all applicable restrictions and give assurance that no restrictions exist except those specifically listed.

(b) the survey exception must reflect that it will be deleted, except as to area (and Schedule C may condition the deletion upon the presentation of an acceptable survey and payment of the additional 15% premium (Seller pays the additional premium);

(c) the exception for taxes must reflect only the current year and must be annotated "not yet due and payable" except as otherwise provided herein;

(d) no exception is permitted for "rights of parties in possession;" Any current leases for signage with billboard companies or others must be acceptable to Buyer and assignable to Buyer at closing.

(e) no lien is shown on Schedule B. (Any indebtedness may be shown on Schedule C as "to be released at Closing".)

8.3 Seller must cause the Title Company to update the Title Commitment if the Closing will extend beyond 30 days after the Title Commitment's effective date.

8.4 No later than 21 days after the Effective Date, Buyer, at Buyer's expense, may acquire a survey of the Property or revised property, acceptable to Buyer's Chief Surveyor ('Survey"). The Survey must set out, without limitation, (i) the total gross acres of the Property (Gross Acreage), and (ii) all easements affecting the Property and (iii) the number of square feet that is included in the 100 year flood plain.

8.5. Seller represents and warrants to Buyer that at the Closing, Seller will have title to, and will execute a Special Warranty Deed conveying to Buyer, the Property free and clear of any and all encumbrances except those that constitute Permitted Exceptions (as hereinafter defined) under the terms of this Contract. The Special Warranty Deed will be prepared by the Legal Division of Buyer. If a disagreement arises over the form of the deed, a State Bar promulgated form special warranty deed will conclusively be deemed to be reasonable, and the parties must use that form.

9. Feasibility Period:

9.1. Within 10 days after the Effective Date of this Contract, Seller must deliver or cause to be delivered to Buyer and the Title Company any and all land use documents not filed of record which may affect Buyers use of the property such as the following items, ("Submission Items") (a) a copy of each unrecorded current surface or mineral lease, reciprocal access agreements, right of way agreements, or easements, if any, and (b) a copy of any applicable zoning ordinance, restrictive covenant, deed restriction, and any other land use restriction document not of record, and any and all engineering plans, environmental studies or reports, and geotechnical studies or reports, which Seller may have in its possession or control, and can be identified as "land use documents".

9.2. Buyer has 60 days from the Effective Date as a ("Feasibility Period") to review the Title Commitment, the Survey, and all laws, codes, regulations, ordinances of any governmental or quasi-governmental entity the ("Land Use Documents") (collectively, "Review Documents"), and to deliver in writing to Seller such objections as Buyer may have to any matter contained in the Review Documents. Any item on Schedule B of the Title Commitment, the Survey, or the Land Use Documents to which Buyer does not object during the Feasibility Period and as might be shown by a new on the ground survey, as required herein, becomes a "Permitted Exception".

9.3. If, within the Feasibility Period, Buyer delivers to Seller written objections to the character of the title to be conveyed, within 14 days of Buyer's delivery, Seller must notify Buyer in writing whether it intends to cure the objections without any obligation to do so. If Seller intends to cure, it must immediately, diligently, and in good faith proceed to do so.

9.4. If Seller fails or refuses to cure Buyer's objections to the Review Documents within 20 days after notice thereof, then Buyer may (i) terminate this Contract or (ii) waive the objections and accept such title as Seller is able to convey.

9.5 From the Effective Date of the Contract until the end of the Feasibility Period, Buyer can access the Property for the purpose of inspecting the Property to assess environmental and other site conditions and to generally assess the suitability of the Property. Seller will cooperate with Buyer in Buyer's assessment of the Property, so that Buyer may conduct the most comprehensive investigation and assessment reasonably possible, including all environmental investigations and tests Buyer, in its sole discretion, deems desirable. If Buyer decides, in its sole discretion and for any reason, that the Property is unsuitable for its purposes, Buyer may terminate this Contract by sending written notice to Seller before the expiration of the Feasibility Period.

9.6 At or before Closing, Seller must deliver to Buyer and the Title Company evidence satisfactory to both Buyer and the Title Company that the persons to sign the transaction documents at closing on behalf of Seller are authorized to bind Seller to this transaction.

9.7. Buyer acknowledges and agrees that it has already received a copy of the following studies or reports: Phase I Update Environmental Site Assessment 121.52 Acre Tract Northwest Interstate 35 and McCarty Land San Marcos, TX 78666, Report Prepared for: Ms. Cynthia Stevens, Koontz/McCombs, LLC, 200 Concord Plaza, Suite 525, San Antonio, TX 78216; Report Prepared by: STC Environmental Services, Inc., 4754

Research Drive, San Antonio, TX 78240; STC Project No. 20600, Dated March 31, 2000

9.8 Buyer acknowledges and agrees that with respect to that certain Improvement Agreement dated as of July 3, 2001, between KBLB Partners ("KBLB") and Seller, Seller was to complete certain improvements as more particularly described therein. Buyer agrees that Seller shall be entitled to collect such $32,000.00 directly from KBLB upon completion of such improvements and that the Improvement Agreement shall be modified prior to closing and recorded at closing, in Seller's sole and absolute discretion that (i) directs such $32,000.00 to be paid directly to Seller and not to its successors and assigns and (ii) directs the owner of the Property to notify Capital Foresight Limited Partnership of the completion of such improvements.

10. Special Provisions:

10.1. Buyer's obligations and performance under this Contract are contingent on approval of this purchase by the School Land Board not later than the expiration of the Feasibility Period. If the School Land Board does not approve this sale prior to the expiration of the Feasibility Period, this Contract is void. This Contract is further contingent upon Buyer's receipt not later than the expiration of the Feasibility Period of (a) an official General Land Office appraisal of the Property showing fair market value at or above the Sales Price, (b) a final Survey acceptable to the Chief Surveyor of the General Land Office, and (c) Land Use Documents acceptable to the General Land Office. All of the foregoing must be filed with the School Land Board before its consideration whether to approve this Contract.

10.2. Buyer's authority to purchase the Property is contained in and limited by, among other things, Tex. Nat. Res. Code Ann., §§51.401 et seq. Accordingly, Buyer's obligations and performance under this Contract are contingent on the presence on the date of Closing of an amount of money in the special fund account equal to or greater than the Sales Price. If the School Land Board, and/or its agent or designee decides, in its sole discretion, that the best interests of the Permanent School Fund are served by not using the money in the special fund account, or by using some or all of that money for purposes other than closing the transaction described in this Contract (including buying different property), Buyer may terminate this Contract at any time up to and including the date of Closing.

11. Representations:

Seller represents to Buyer to the current conscious actual knowledge of Seller as follows:

11.1 Seller has, or will have as of Closing, good and indefeasible fee simple title to the Property subject to other permitted exceptions approved by Buyer and is duly authorized to sell the Property without the joinder of any other person or entity.

11.2 There are no parties in possession of any portion of the Property as lessees, tenants at sufferance, or trespassers who have claimed or may claim adversely to Seller except for lease under two billboard leases.

11.3 Seller has received no notice of any pending or threatened condemnation or similar proceeding affecting the Property, or any part thereof, nor, to the best of Seller's knowledge, is any such proceeding contemplated by any governmental authority.

11.4 Seller will pay at Closing all taxes and assessments owing with respect to the Property prorated through closing.

11.5 Based solely on Sellers review of the environmental studies and reports that Seller has received, Seller has no notice that (i) the Property has been used as a landfill or other waste or by-product disposal facility, or (ii) the property has been used for storage or disposal of any hazardous or toxic materials, there are no other adverse facts or conditions relating to the Property that has not been specifically disclosed in writing by Seller to Buyer in the form of such environmental studies or reports.

11.6 The Property has full and free access to and from public streets and roads. Seller has no knowledge of any fact or condition that would result in the termination or diminution of that access subject to Land Use Documents.

11.7 Seller has complied with all applicable laws, ordinances, regulations, statutes, rules, and restrictions pertaining to and affecting the Property. Performance of this Contract will not result in any breach of, or constitute any default under any agreement or instrument to which Seller is a part or by which Seller or the Property is bound. Neither will Seller's performance of this Contract result in the imposition of a lien or encumbrance upon the Property.

11.8 Buyer will determine during feasibility any zoning issues and other governmental restrictions relating to any change that is contemplated in any applicable laws, ordinances, or restrictions that would prevent, limit,

impede or render infeasible Buyer's contemplated use of the Property. Seller has received no written notice of any judicial or administrative action relating to the Property.

11.9. No attachment, execution, assignment for the benefit of creditors, receivership, conservatorship, or voluntary or involuntary proceedings in bankruptcy or under any other debtor relief laws is pending or contemplated by Seller or has been filed by or against Seller or the Property.

11.10 Seller has received no notice that development of any material part of the Property is prohibited or materially restricted as a result of being in a cemetery, a designated historical or architectural site, or as a result of being encumbered by a conservation easement or other government or owner imposed restriction on use except for Land Use Documents.

11.11. Seller has taken all requisite action to make this Contract binding upon and enforceable against Seller in accordance with its terms.

11.12. To the best of Seller's knowledge and belief, neither Seller's execution and delivery of this Contract nor its performance of its obligations under it violate any law, rule, regulation, or ordinance applicable to Seller. Neither does Seller's execution, delivery, or performance violate any contract or other obligation by which Seller or its property are bound.

11.13. To the best of Seller's knowledge and belief, none of the written representations, information, or documentation furnished or to be furnished by Seller to Buyer in this Contract, or in the transactions contemplated by this Contract, is or will be materially false or misleading or contain any misstatement of a material fact or omit to state a material fact necessary to be made in order to make the statements, in light of the circumstances in which they are made, not misleading.

If, on or before the Closing, Buyer learns that one or more of the aforesaid Representations is incorrect or untrue, Buyer may, at its option, as its sole and exclusive remedy either (i) terminate this Contract or (ii) close the transaction contemplated by this contract thereby waiving any and all claims related thereto. All representations survive the Closing for a period of one (1) year.

12. Closing:

12.1 If Seller satisfies its obligations hereunder, the closing of this Contract (the "Closing") would occur on or before 21 days after the expiration of the Feasibility Period, except as mutually agreed by the parties, at a mutually acceptable time and location. Seller will designate Seller's

representative and Buyer appoints the Deputy Commissioner of the Asset Management Division, General Land Office, as Buyer's representative, to set the mutually acceptable time and location and to extend the Closing to such time as may be mutually agreed by the respective representatives.

12.2 At the Closing, Seller must deliver to Buyer the following:

(a) The Special Warranty Deed prepared by Buyer's Legal Division, duly executed by Seller, conveying the Property to Buyer subject only to the Permitted Exceptions;

(b) A paid Owner's Policy of Title Insurance by the Title Company for the full amount of the Sales Price and conforming to the requirements of this Contract;

(c) Proof of Seller's capacity and authority to close this transaction; and

(d) keys to any gates, structures, or other locked items on the Property, garage door openers, if any, and a list of vendors commonly servicing the premises.

(e) Other documents reasonably requested by the Title Company as administrative requirements for closing this transaction.

12.3 At the Closing, Buyer must deliver to Seller, at Buyer's sole cost and expense, the following:

(a) The Sales Price;

(b) Proof of Buyer's capacity and authority to close this transaction, which proof may be in the form of the School Land Board resolution or minutes approving the purchase; and

(c) Other documents reasonably requested by the Title Company as administrative requirements for the closing of this transaction.

12.4 At closing Seller must pay all ad valorem taxes through date of closing. If applicable, rents must be prorated at the Closing effective as of the date of the Closing. Security deposits and prepaid rent held by Seller must be delivered to Buyer at Closing.

12.5 In addition to Seller paying all taxes through the date of closing, Seller will permit Title Company to deduct from proceeds otherwise payable to Seller an amount equal to all ad valorem taxes that would be due for 2005 if the Property were in private hands. If the

Closing occurs before the tax rate is fixed, the calculation of the amount due must be based on the tax rate for the most recent year for which a rate is fixed. The calculation must be based on the most recent assessed valuation which determination shall be final. Buyer is excused from payment of any property taxes. Seller and Buyer request Title Company to pay to each taxing authority having jurisdiction over the Property its proportionate share of the sums held back from Seller proceeds for 2005 taxes.

13. Default:

13.1 If Seller defaults prior to Closing, Buyer may as its sole and exclusive remedy either (i) terminate this Contract or (ii) sue Seller for specific performance; provided, however, the sole remedies for a breach of a Seller representation discovered by Buyer prior to Closing are as set forth in Section 11.

13.2 If Seller breaches a representation that is not discovered by Buyer until after Closing, Buyer shall be entitled to sue Seller for its actual damages (but not lost profits, consequential, incidental or punitive damages), within one (1) year from the Closing or such right is deemed waived.

13.3 If Buyer defaults under this Contract, Seller may, as its sole and exclusive remedy, terminate this Contract.

14. Casualty:

All risk of loss to the Property remains with Seller before the Closing. If, before Closing, improvements on the Property are damaged or destroyed by fire or other casualty, Buyer (but not Seller) may either terminate this Contract by written notice to Seller or elect to close.

15. Brokerage:

Seller has informed Buyer that, by separate agreement, Seller is liable for a commission in respect of this transaction to Randall Morris & Associates as Listing Broker which shall be paid 5.5% of the Sales Price of which 3.0% shall be paid to Mike Dallas and 2.5% shall be retained by Randall Morris & Associates. The commission shall be deemed earned and due and payable only upon closing and funding. **Buyer has no liability for any such commission. Seller Shall Indemnify, Defend And Hold Buyer Harmless From And Against All Claims By Third Parties For Brokerage, Commission, Finder's Or Other Fees Relative To This Contract Or The Sale Of The Property, Including, Without Limitation, All Court Cost, Attorney's Fees And Other Costs Or Expenses Arising Hereunder Or Related To Acts or Omissions Of the Seller,**

And Alleged To Be Due By Authorization Of Seller. This Obligation Of Seller Survives The Closing.

16. "Foreign Person" Federal Tax Requirement:

If Seller is not a "foreign person", as defined in the federal Foreign Investment in Real Property Tax Act of 1980 and the 1984 Tax Reform Act, as amended (the "federal tax law"), then, at the Closing, Seller will deliver to Buyer a certificate so stating, in a form complying with the federal tax law. If Seller is a "foreign person" or if Seller fails to deliver the required certificate at the Closing, then, in either such event, the funding to Seller at Closing will be adjusted to the extent required to comply with the withholding provisions of the federal tax law; and although the amount withheld will still be paid at the Closing by Buyer, it will be retained by the Title Company.

17. Miscellaneous Provisions:

17.1 The "Effective Date" of this Contract is the latter of the dates on which this Contract is signed by Buyer or by Seller, as indicated by their signatures below.

17.2 In case of a dispute as to the form of any document required hereunder, the current form prepared by the State Bar of Texas is conclusively deemed reasonable.

17.3 Sovereign Immunity Preserved. Nothing contained in this Contract is a waiver of the sovereign immunity of the State of Texas.

17.4. The construction of this Contract and the rights, remedies, and obligations arising under it are governed by the laws of the State of Texas. The Texas conflicts of law rules must not be used to apply other laws. The obligations of both parties are performable in Austin, Travis County, Texas.

17.5. If any portion of this Contract is determined to be invalid or unenforceable, other portions are not affected.

17.6. This Contract inures to the benefit of and is binding upon the heirs, representatives, successors, and permitted assigns of each party. This clause does not authorize any assignment not otherwise authorized.

17.7. **This Written Contract Represents the Final Agreement Between the Parties and May Not Be Contradicted by Evidence of Prior, Contemporaneous, or Subsequent Oral Agreements of the Parties. There Are No Oral Agreements Between the Parties.**

17.8. This Contract may not be changed orally but only by a written agreement, signed by the party against whom enforcement of any modification is sought. If a party waives a provision of this Contract intended for its own benefit, whether expressly or impliedly, the waiving party can still require observance of (i) any other provision of this Contract and (ii) the same provision on another occasion.

17.9. This Contract benefits only the parties to it and their successors and permitted assigns. This Contract has no third party beneficiaries.

17.10. Except as provided for 1031 exchanges, neither party may assign this Contract without the written consent of the other.

17.11. Any notice provided for or permitted under this Contract must be in writing and by certified mail, return receipt requested, addressed to the parties at their respective addresses stated at the beginning of this Contract. The giving of notice is complete three (3) days after its deposit, properly addressed and postage prepaid, with the United States Postal Service. Failure to conform to the requirement that mailings be done by certified mail does not defeat the effectiveness of notice actually received, but the notice is deemed given only upon actual receipt. Address for notice may be changed by giving notice.

17.12. In construing this Contract, plural constructions include the singular, and singular constructions include the plural. Whether a pronoun is masculine, feminine, or neuter does not affect meaning. The words "herein," "hereof," and other, similar compounds of the word "here" refer to this entire Contract, not to any particular provision of it.

17.13. Paragraph captions in this Contract are for ease of reference only and do not affect interpretation.

17.14. This Contract may be executed in multiple counterparts, each of which is an original, whether or not all parties sign the same document. Regardless of the number of counterparts, they constitute only one agreement. In making proof of this Contract, the proponent need not produce or account for more counterparts than are necessary to show execution by or on behalf of all parties.

17.15. The parties must execute and deliver such additional documents and instruments as may be required to effect fully the provisions of this Contract. But no such additional document(s) can alter the rights or obligations set out in this Contract.

17.16. Seller may elect by written notice to Buyer to treat this sale as part of a tax deferred exchange or exchanges. Buyer will cooperate with the

exchanges if (1) Buyer incurs no additional costs or expenses and (2) Seller is not relieved of any duties hereunder.

18. Contract As Offer:

Seller's execution of this Contract constitutes an offer to sell the Property to Buyer. Unless Buyer delivers to Seller a fully executed copy of this Contract within 20 days of Seller's execution, the offer of this Contract may be revoked and terminated at Seller's discretion.

In Witness Whereof, the parties have set their hands as of the Effective Date.

Buyer:

The State of Texas, by and through the Commissioner
of the Texas General Land Office, acting on
Behalf of the Permanent School Fund

By: _____
JERRY E. PATTERSON, Commissioner
Texas General Land Office

Date of Buyer's Signature: 3 June 2005

Approved:

Contents _____
SA _____
Deputy _____
Chief Clerk _____

3-22-2005

Seller:

Capital Foresight Limited Partnership

By _____
Naty Saidoff, General Partner

2980 Beverly Glen Circle, #201
Bel Air, California, 90077

Approved:

_____
Title

_____
Title

Date of Signature: 5/26/05

Exhibit A

121.52 acres, more or less, in the J.M. Veramendi Survey No. 1, City of San Marcos, Hays County, Texas, being all of that 121.43 acre tract described in a deed from Thomas T. Smith, Trustee to Heinz Schwaderlapp et al dated April 8, 1983 and recorded in Volume 391, Page 692 of the Hays County Deed Records and being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2" iron rod set for the east corner of the Schwaderlapp tract and the south corner of the 3.15 acre tract described in a deed from Thermon Industrial Development Corp. to Gulf Business Forms, Inc. dated April 29, 1981 and recorded in Volume 357, Page 703 of the Hays County Deed Records, and being a northwest line of Interstate Highway No. 35;

THENCE leaving the PLACE OF BEGINNING with the common northwest line of Interstate Highway No. 35 and southeast line of the Schwaderlapp tract, as shown on that plat numbered 24229-97-d dated April 17, 1997, as prepared for JASBA of Germany by Byrn & Associates, Inc. of San Marcos, Texas, S 44 deg. 08' 00" W (this being the Bearing Basis for this description) 3434.11 feet to a 1/2" iron rod set for the south corner of the Schwaderlapp tract and the east corner of that 9.438 acre tract described in a deed from Joe Bob Millican et ux to K.B.L.B., Inc. dated November 1, 1996 and recorded in Volume 1266, Page 132 of the Hays County Official Public Records;

THENCE with the common southwest line of Schwaderlapp tract and northeast line of K.B.L.B., Inc. tract, as fenced and used upon the ground, N 45 deg. 13' 08" W 790.62 feet to a 1/2" iron rod found for the north corner of the K.B.L.B., Inc. tract and the east corner of that 20.0 acre tract conveyed in a deed from Chas. Fehlis to Tereso Tobias dated October 15, 1947 and recorded in Volume 139, Page 363 of the Hays County Deed Records;

THENCE continuing with the common southwest line of the Schwaderlapp tract and the northeast line of the Tobias 20.0 acre tract, as fenced and used upon the ground, (said tract having been cut into numerous small parcels all of which as referenced on the aforereferenced plat) N 45 deg. 13' 49" W, 843.80 feet to a 1/2" iron rod found for the north corner of the Tobias 20.0 acre tract and west corner of the Schwaderlappp tract in the southeast line of the Missouri, Kansas & Texas Railroad right-of-way, being 50 feet from the centerline of the Missouri, Kansas & Texas Railroad track;

THENCE with the common northwest line of the Schwaderlapp tract and the MK & T right-of-way being 50 feet from and parallel to the centerline of the railroad tracks, N 47 deg. 14' 03" E 3437.38 feet to a 1/2" iron rod found for the north corner of the Schwaderlapp tract and the west corner of Lot 1, Thermon Industrial Park No. 2, as recorded in Volume 5, Page 6 of the Hays County Plat Records;

THENCE with the common northeast line of the Schwaderlapp tract and southwest line of Thermon Industrial Park No. 2 and the aforereferenced Gulf Business Forms, Inc. Tract, S. 45 deg. 12' 44" E 1448.51 feet to the PLACE OF BEGINNING, pass at 958.02 feet a 1/2" iron rod found for the common south corner of Lot 1 and west corner of Barnes Drive (a roadway shown on the plat of Thermon Industrial Park) and pass at 1028.06 feet a 1/2" iron rod found for the common south corner of Barnes Drive and west corner of Gulf Business Forms, Inc. tract.

Exhibit "B" to
Contract To Purchase Private Land

Lot 1, Block 1, San Marcos Outlet Park, according to that certain Plat or Map thereof recorded in Volume 1799, Page 700, dated April 19, 2001.

(8)

File No. 155377

Hays County

Contract

Date Filed: 11-30-05

Jerry E. Patterson, Commissioner

By Isabel Alfaro

SCANNED
DATE 10-2-07

PHASE I
ENVIRONMENTAL SITE ASSESSMENT

San Marcos Outlet Park
San Marcos, Hays County, Texas

Prepared for:

General Land Office of Texas
1700 North Congress, Suite 720
Austin, Texas 78701

Prepared by:

TRC
Customer-Focused Solutions

Austin, Texas

June 24, 2005

PHASE I
ENVIRONMENTAL SITE ASSESSMENT

San Marcos Outlet Park
San Marcos, Hays County, Texas

Prepared for:

General Land Office of Texas
1700 North Congress, Suite 720
Austin, Texas 78701

Prepared by:

STEPHANIE CHIARELLO
Staff Scientist

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505 East Huntland Drive, Suite 250
Austin, Texas 78752

June 24, 2005

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1.0 INTRODUCTION

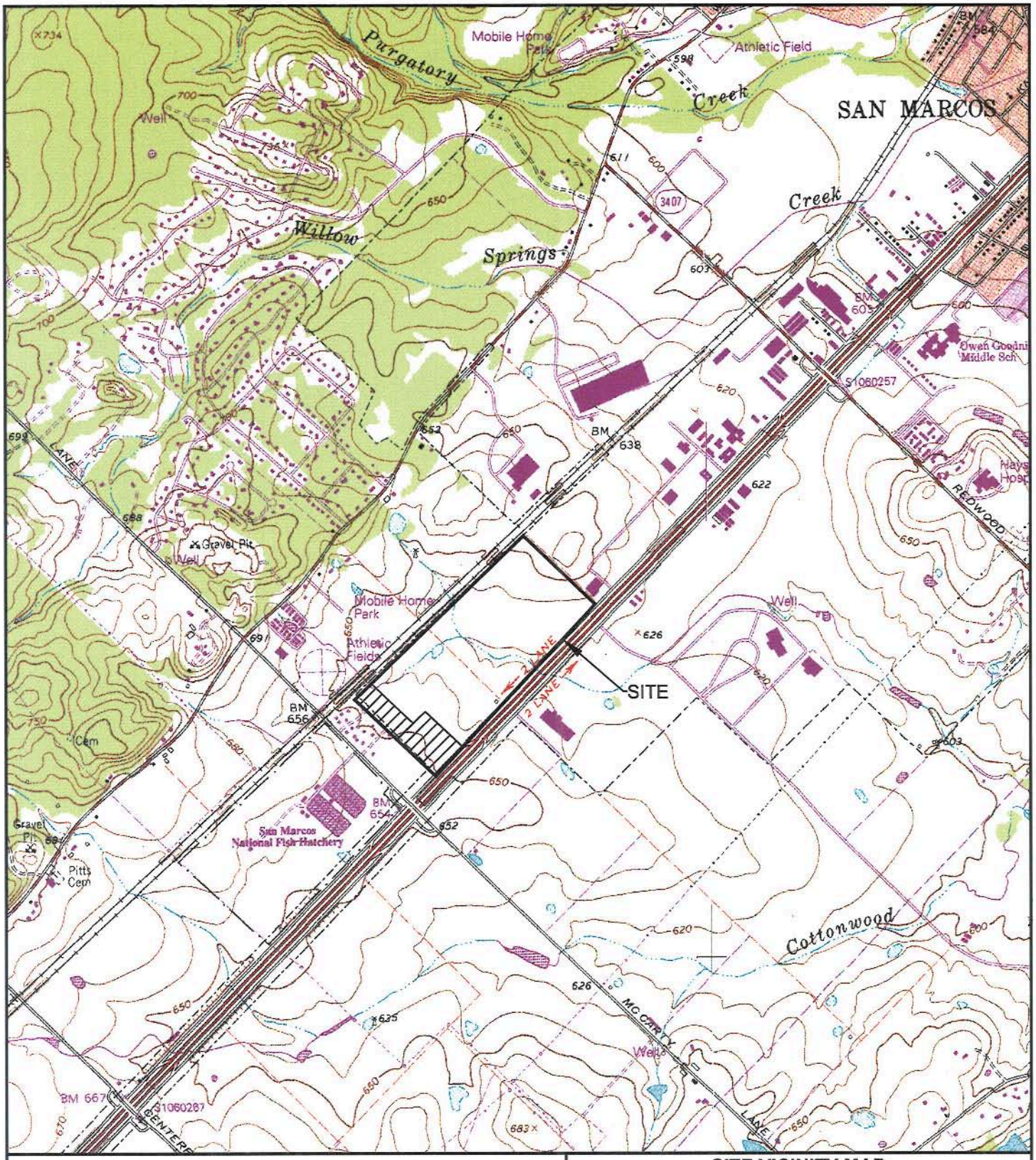
1.1 Statement of Purpose

This Phase I Environmental Site Assessment (ESA) was performed by TRC Environmental Corporation (TRC) on a 112 acre parcel of land in San Marcos, Hays County, Texas (hereinafter the "subject property" or "Site") marketed by its realtor as San Marcos Outlet Park. The Texas General Land Office (GLO) requested the Phase I ESA. TRC has prepared this Phase I ESA in accordance with ASTM International E 1527-00, *Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process*, and this Phase I ESA is intended for the sole use of the GLO (hereafter the "User"). The purpose of this ESA is to identify *recognized environmental conditions (RECs)*, as defined in ASTM E 1527-00, in connection with the subject property and to assist the User in qualifying for the innocent landowner defense to liability under the Comprehensive Environmental Responsibility and Compensation Liability Act (CERCLA). The User requested no additional services beyond the scope of a Phase I ESA. Appendix 1 provides a description of the scope and limitations of a Phase I ESA in accordance with ASTM E 1527-00 and a Site vicinity map is presented as Figure 1.

1.2 Scope of Investigation/Services

Performance of this Phase I ESA consisted of the following tasks:

- Site reconnaissance of the subject property to assess the likelihood of the presence of RECs in connection with the subject property;
- Overview of the properties in the vicinity of the subject property;
- Description of historical site conditions to the extent historical Site conditions were described to TRC by knowledgeable parties;
- Review of environmental databases and available historical aerial photographs and topographic maps; and
- Evaluation of the collected information and preparation of a report summarizing findings, opinions, and conclusions.



0 1000 2000 4000

SCALE IN FEET
1" = 2000'

N

SOURCE
U.S.G.S. 7.5-MINUTE SERIES TOPOGRAPHIC MAP, SAN MARCOS SOUTH (1973), TEXAS.

SITE VICINITY MAP

SAN MARCOS OUTLET PARK
GENERAL LAND OFFICE
SAN MARCOS, TEXAS

PROJECT NO.	44184	DWG FILE	44184-1
DRAWN BY.	CL	DATE	6/16/04

TRC
Customer-Focused Solutions
505 EAST HUNTLAND DRIVE
SUITE 250
AUSTIN, TEXAS 78752
(512) 329-6080

FIGURE 1

1.3 Exceptions to the ASTM E 1527-00 Practice

Several exceptions to the ASTM E 1527-00 practice, and/or data gaps should be noted:

- A chain-of-title review was not requested by the User and is not included in this Phase I ESA.
- The Site's historical use information was limited because sources identified and interviewed had little knowledge of the Site's historical use. Sources included historical aerials photographs, historical topographic maps, the Site's realtor Mr. Don Garrett of Randall Morris & Associates, San Marcos, Texas; Chief J. Mike Baker, San Marcos Fire Rescue; a librarian, Ashley, at the San Marcos Library; an employee of the neighboring property Gulf Paper Products, Linda Porterfield; and an employee of the neighboring property Parkview Metal Products, Elaine. In addition, current and past owners/lessees were not made available to TRC for interviewing purposes.

2.0 SITE DESCRIPTION

2.1 Site Location and Legal Description

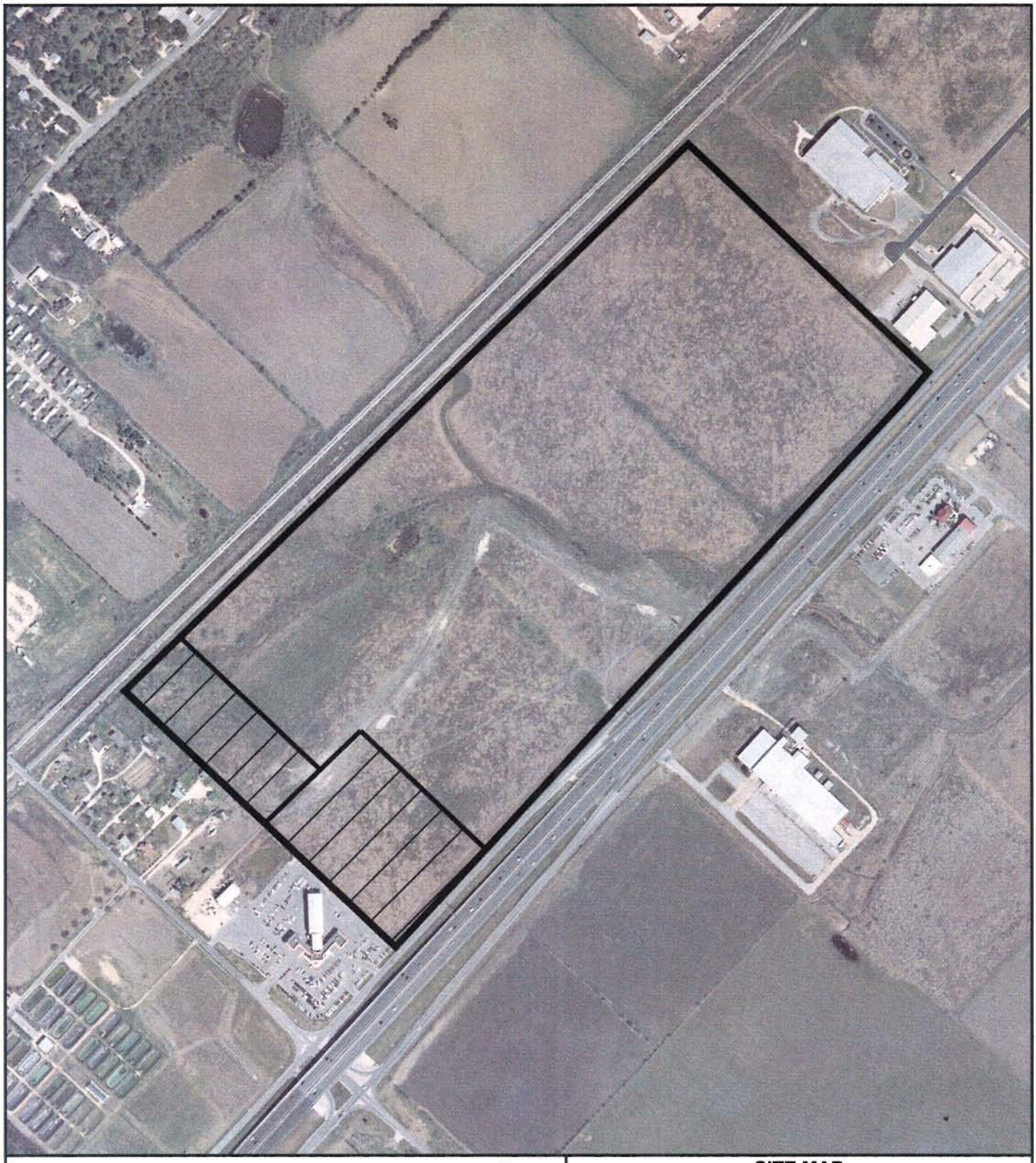
The subject property is located south of the City of San Marcos, Texas on the west side of Interstate Highway (IH) 35 between Wonder World Drive and McCarty Lane. The subject property consists of an approximately 112-acre, agricultural tract of land with no physical structures (Appendix 2, Photograph 1). The approximate latitude/longitude coordinates of the center of the subject property are 29.84696 degrees north, 97.96904 degrees west. Two concrete driveways provide access to the Site off IH-35 but end immediately upon Site entry. For the purposes of this investigation and clarification in reporting, the subject property has been divided into two sections: the southern section, located south of the Y-shaped water feature that transects the subject property and the northern section located north of the Y-shaped water feature. The sections will be referred to in this report when necessary to differentiate areas of the Site.

A Site location map is included as Figure 2 and Site photographs are included in Appendix 2. A legal description of the Site was not provided to TRC but a survey map was provided by the User and is included as Appendix 3.

2.2 Site and Vicinity General Characteristics

The entire subject property is fenced intermittently along its perimeter on all sides. Remnants of old, rugged, dirt roads traverse the southern section of the Site with road areas reinforced with large limestone cobbles (Appendix 2, Photograph 2). The subject property is currently vacant but appears to have historical agricultural use. Trees are scattered throughout the Site near the Y-shaped water feature that transects the Site into a northern and southern section, near the pond in the western area of the southern section, as well as along the northern perimeter of the northern section. The Site vegetation consists primarily of invasive plants and common weeds that were approximately 3.5 feet high throughout the entire property at the time of Site reconnaissance (Appendix 2, Photograph 3).

The elevation of the subject property ranges from approximately 650 feet above mean sea level (amsl) to 630 feet amsl near the main Y-shaped water feature according to the United States Geologic Survey (USGS) 7.5-minute series topographic maps for San Marcos South (USGS 1973). Field approximation showed the Site sloping at less than a 10-degree angle towards the main Y-shaped water feature from both the northern and southern sections of the Site.



0 300 600 1200

SCALE IN FEET
1" = 600'

N

SOURCE
CAPCO 2002 AERIAL PHOTOGRAPHY BY USGS QUATER QUAD, SAN MARCOS SOUTH NW, TEXAS.

SITE MAP

SAN MARCOS OUTLET PARK
GENERAL LAND OFFICE
SAN MARCOS, TEXAS

PROJECT NO.	44184	DWG FILE	44184-2
DRAWN BY.	CL	DATE	6/16/05

TRC
Customer-Focused Solutions
505 EAST HUNTLAND DRIVE
SUITE 250
AUSTIN, TEXAS 78752
(512) 329-6080

FIGURE
2

According to the Geologic Atlas of Texas, Seguin Sheet (BEG 1974), the Site is underlain by the cretaceous Pecan Gap Chalk (Kpg). The Pecan Gap Chalk is described as a chalky marl with microgranular calcite within a clay matrix, and is medium gray weathering to light gray and white with a thickness of up to 200 feet.

According to the Soil Survey of Comal and Hays Counties Texas (USDASCS 1984), the Site is underlain by Branyon clay (ByA). The Branyon clay is described as a gently sloping soil on broad ancient stream terraces that is moderately alkaline, moderately well drained and has a slight water erosion hazard. It typically has a dark gray clay surface layer about 44 inches thick followed by 16 inches of a grayish brown clay with dark gray streaks. The underlying material is mottled pale brown and pale yellow clay. The soil is calcareous throughout.

According to the TCEQ listing of the Edward's Aquifer Boundaries by County (TNRCC 2004), the Site is underlain by the contributing zone of the Edward's Aquifer.

2.3 Current Uses of Property—Description of Structures, Roads, and Other Improvements

The current use of the property is undeveloped and uncultivated agricultural land. No apparent structures or other improvements are located at the Site with the exception of rugged, overgrown dirt roads, sanitary sewer manholes and fire hydrants located only in the southern section of the Site. According to the marketing packet for the San Marcos Outlet Park provided by Mr. Don Garrett, the Site contains a drainage area which is within the 100 year floodway, water and sewer are provided by the City of San Marcos, electricity is provided by San Marcos Electric, gas is provided by Entex Gas Company, and telephone is provided by Century Telephone.

2.4 Current Uses of Adjoining Properties

The subject property is surrounded primarily by commercial and rural residential agricultural land. Adjoining properties are privately owned and access was not requested or granted to TRC. Therefore, observations of adjoining properties were made from the subject property's nearest border with the neighboring property or nearest road. Adjoining property uses are as follows:

North: Gulf Business Forms, Incorporated (Inc.) and Parkview Metal Products.

East: IH-35, then (from north to south) Pontiac GMC (automobile dealership), Electrosource (vacant commercial building) and undeveloped agricultural land.

South: (From east to west) Gillman Mitsubishi and San Marcos Auto Outlet (automobile dealerships), and approximately five residential homes.

West: A railroad track, described as the Missouri, Kansas and Texas Railroad in the realtor provided marketing packet, followed by rural residential agricultural properties.

3.0 USER-PROVIDED INFORMATION

The User provided a copy of an Espey, Padden Consultants, Inc. survey of the subject property. In addition, the realtor representing the Site, Mr. Don Garrett of Randall Morris and Associates, provided a marketing packet for the Site including a project summary, an aerial overview, and a map with the Site divided into several tracts of varying acreage. User provided information is provided in Appendix 3 and the realtor provided information is included in Appendix 4.

4.0 RECORDS REVIEW

4.1 Mandatory Standard Physical Setting Source

The subject property was identified on the USGS 7.5-minute San Marcos topographic quadrangle map with the approximate latitude/longitude coordinates of the center of the subject property are 29.84696 degrees north, 97.96904 degrees west. The elevation of the subject property ranges from approximately 650 feet above mean sea level (amsl) to 630 feet amsl near the main Y-shaped water feature according to the United States Geologic Survey (USGS) 7.5-minute series topographic maps for San Marcos South (USGS 1973). A portion of the topographic quadrangle map is provided in Figure 1.

4.2 Discretionary and Non-Standard Physical Setting Sources

No discretionary or non-standard physical setting sources were reviewed as part of the Phase I ESA.

4.3 Standard Environmental Record Sources

A radius report at ASTM International E 1527-00 distances and historical information was obtained from Banks Information Solutions, Inc. (Banks 2005). The Banks ASTM First Search Report (Banks Report) is included in Appendix 5. Information from the following state and federal databases was presented in the Banks Report:

BROWNFIELDS	Texas Commission on Environmental Quality (TCEQ) list of sites in Texas that may have liability associated with real or perceived contamination
CERCLIS	Comprehensive Environmental Response, Compensation, and Liability Information System
CERCLIS-NFRAP	Comprehensive Environmental Response, Compensation, and Liability Information System Archived Sites
ERNS	Emergency Response Notification System
LUST	Leaking Petroleum Storage Tank Database
NPL	National Priority List
OTHER	Texas Industrial Hazardous Waste Notice of Registration (IHW data). TCEQ information submitted by industrial and hazardous waste transporters, receivers, generators and one-time shippers.
RCRA-COR	Resource Conservation and Recovery Ac t (RCRA)Information System, Corrective Action Sites

RCRA-GEN	Resource Conservation and Recovery Act (RCRA) Information System, Large and Small Quantity Generators
RCRA-TSD	Resource Conservation and Recovery Information Act (RCRA) System, Treatment, Storage and Disposal Facilities
RELEASES	Air and Surface Water Releases
STATE SITES	Sites from TCEQ's Office of Permitting Remediation and Registration, Remediation Division, State Superfund Registry, and Voluntary Cleanup Program (VCP).
STATE WELLS	TCEQ's Database of Public Water Supply Sources
UST/AST	TNRCC's Petroleum Storage Tank Registration File

A complete description of each of these databases is included in Appendix 5. The environmental database search did not identify any listings for the subject property.

Gulf Business Forms, Inc., one of the northern neighbors, is listed as a non-industrial and/or municipal small quantity generator (SQG) of hazardous materials with 11 active waste codes included non-halogenated solvents, non-hazardous photographic chemical wastes (inorganic), other waste inorganic solids, halogenated/non-halogenated solvent mixture, spend solid filters or adsorbents (inorganic), used silver photographic solution, plant refuse and ink residue mixed with water. A detailed list of these chemicals may be found on page 21 of the Banks Report. Nine violations were listed for Gulf Business Forms, Inc.: Four Solid Waste Disposal Act violations, three generator manifest requirement violations, and two generator land ban requirements. All violations were reported in 2000 and seven of the nine have been resolved. Two enforcement listing are also listed in 2000.

Parkview Metal Products, Inc., the other northern neighbor, is listed in the Banks Report as a SQG of hazardous materials with metal stamping activities (Appendix 2, Photograph 4). It is listed with one enforcement issue and two violations: one Solid Waste Disposal Act violation and one other generator requirement violation. Both violations were issued and resolved in 2000. Page 26 of the Banks Report lists hazardous waste information including ignitable waste, chromium, mercury, spent halogenated solvents, trichloroethylene, and lead.

Three LUSTs, two RCRAGN, one UST, and two OTHER properties are additional properties listed in the Banks Report within a one-mile radius from the Site. The three LUSTs had soil contamination only, and are listed with final concurrence issued, case closed. The two RCRAGN are the same addresses as the two OTHER

listings that are SQG without enforcement or violations listed. The UST site had one UST of unknown size with unknown substance stored removed from the ground in 1998 with no environmental listing.

In addition, Sisneros Pontiac GMC and San Marcos Pontiac-GMC Inc. are listed in the Banks Report but not geocoded (i.e., their locations were not determined by the Banks Report). However, both facilities have an address of 2701 IH 35 which is the same address as Cecil Atkission Motors San Marcos, the UST site noted above. The Sisneros Pontiac GMC is listed in the OTHER database and the San Marcos Pontiac-GMC Inc. is listed in the RCRAGN database.

Two southern neighboring properties, Gillman Mitsubishi and San Marcos Auto Outlet, were not listed in the Banks Report or in the TCEQ Central Registry although automobile storage and maintenance activities were observed during Site reconnaissance.

4.4 Non-Standard Environmental Record Sources

No non-standard environmental record sources were obtained or reviewed.

4.5 Historical Use Information on the Property/Adjoining Properties

The Site's historical use information was limited because sources identified and interviewed had little knowledge of the Site's historical use. Sources included historical aerials photographs, historical topographic maps, the Site's realtor Mr. Don Garrett of Randall Morris & Associates, San Marcos, Texas; Chief J. Mike Baker, San Marcos Fire Rescue; a librarian, Ashley, at the San Marcos Library; an employee of the neighboring property Gulf Paper Products, Linda Porterfield; and an employee of the neighboring property Parkview Metal Products, Elaine. In addition, current and past owners/lessees were not made available to TRC for interviewing purposes.

Historical aerial photographs and topographic maps are included as Appendix 6 and Appendix 7, respectively and discussed below in section 4.5.1 and 4.5.2. Information collected during interviews is provided in section 4.5.3.

4.5.1 Aerial Photograph Review

Historical aerial photographs from 1951, 1980, 1995, and 2004 were obtained and reviewed and are included in Appendix 5. An aerial photograph from 2002 is included as Figure 1.

Subject Property

In the 1951 aerial photograph, the subject property appears to be predominantly agricultural land, with a road and farmstead (consisting of approximately four structures – presumably a farm house, barn and out-buildings) located off the southernmost

driveway to the Site in the southern section. The Y-shaped water feature is apparent, as are at least two ponds in the western part of the Site's southern section The 1980, 1995 and 2004 aerial photograph show the Site as it is today with the Y-shaped water feature apparent but only one pond in the western part of the Site's southern section is visible and the farmstead is non-apparent.

Adjoining Properties

In the 1951, the surrounding property is predominantly undeveloped with a few rural residential/agricultural properties to the west. The railroad tracks are visible in the 1951 aerial photograph and remain throughout all historical aerials photographs reviewed. Development increases in the Site vicinity throughout the 1980 through 2004 aerial photographs. The Electrosource commercial building appears in the 1980 aerial photograph to the east and the fishery appears to the south along with some residential structures. Gulf Business Forms, Inc., and Parkview Metal Products appear in the 1995 aerial photograph along with additional commercial and residential sites in the Site vicinity. The 2004 aerial photograph is similar to the 1995 aerial photograph.

4.5.2 Historical Topographic Map Review

Historical topographic maps from 1964 and 1973 were obtained and reviewed and are included in Appendix 6.

Subject Property

The elevation of the subject property ranges from approximately 650 feet above mean sea level (amsl) to 630 feet amsl near the main Y-shaped water feature according to the United States Geologic Survey (USGS) 7.5-minute series topographic maps for San Marcos South (USGS 1973). In both historical aerials, the railroad tracks to west, the farmstead, and the Y-shaped water feature are apparent, as are the two water ponds in western part of the Site's southern section.

Adjoining Properties

In both topographic maps, a municipal airport is shown east of IH 35 just north of the subject property, plus some commercial buildings to the north and residential developments to the west. Development increases in the Site vicinity throughout from 1964 to 1973 including more commercial business to the north and residential developments to the west, south and north.

4.5.3 Interviews

Phone and electronic mail interviews were conducted with the Site's realtor Mr. Don Garrett of Randall Morris & Associates, San Marcos, Texas; Chief J. Mike Baker,

San Marcos Fire Rescue; a librarian, Ashley, at the San Marcos Library; an employee of the neighboring property Gulf Paper Products, Linda Porterfield; and an employee of the neighboring property Parkview Metal Products, Elaine.

On June 13, 2005 a phone interview was conducted with Mr. Don Garrett of Randall Morris and Associates, the realtor representing the subject property. Mr. Garrett said the current owners, Capital Foresight, LP, Beverly Hills, CA, have owned the property for approximately 8 years and the owners before them were another investment group out of Germany who acquired the subject property approximately 20 years ago. Mr. Garrett said that to his knowledge, there had not been any activities on-Site in the last 20 years. He did not know about the farmstead apparent in the 1951 historical aerial photograph, but he thought there were some pieces of farm equipment were located in the southwest corner of the entire Site. This equipment was not observed during the Site reconnaissance visit but may have been in an inaccessible area or covered by the Site's high, dense vegetation or located in the area south of the silt fence that transected the southern section of the Site that was not investigated. He noted that the current owner put in sewer and water on the Site when the Gillman Mitsubishi was developed in approximately 2002. To his knowledge, the railroad never owner or used the Site. He also noted that the water features only hold water after significant rain events.

On June 13, 2005, the San Marcos public library was contacted by phone about any historical documents in their possession. The librarian, Ashley, noted they had Sanborn Maps and City Directories but the Sanborn Maps covered only San Marcos proper and the City Directories were only useful if the Site had a definite address.

One June 13, 2005, Chief J. Mike Baker of the San Marco Fire Department was conducted via electronic mail requesting any fire/emergency response records for the Site. On June 14, 2005, Mr. Baker replied via electronic mail he did not have any recent records in their database for the Site.

On June 16, 2005, Linda Porterfield of Gulf Business Papers, Inc., was interviewed by phone about the subject property. She said Gulf Business Papers, Inc., had been there since about 1981 and she only remembers seeing cattle and some hunters on the subject property. She thinks she last saw cattle on Site approximately one year ago. She had no knowledge of the former farmstead.

One June 16, 2005, Elaine of Parkview Metal Products was interviewed by phone about the subject property. She believes she saw cattle until the early 1990's on Site and maybe saw hunters up until about two to five years ago. She had no knowledge of the former farmstead.

Other local agencies were not contacted due to the rural nature of the subject property.

5.0 SITE RECONNAISSANCE

5.1 Methodology and Limiting Conditions

Stephanie Chiarello and Katy Morales of TRC conducted a site reconnaissance of the subject property on June 9, 2005. The site reconnaissance began by entering the subject property in the northern section from the northernmost of two driveways that access the Site. TRC walked from the northernmost drive north along the fenceline to the northeastern edge of the subject property. TRC continued west along the fence line until even with Parkview Metal Products. TRC then walked west towards the Y-Shaped water feature, observing the eastern and western sections of the Site's northern sections from this transect. TRC walked west along the Y-shaped water feature and then walked east back to the car along the Y-shaped water feature.

TRC drove north on IH 35 access road to the southernmost driveway into the Site to investigation the southern sections of the Site by driving east along the southern side of the Y-shaped water feature following the faint remnants of rugged, overgrown roads. TRC drove south along the southern bar of the Y-shaped water feature to the southern boundary with Gillman Mitsubishi. TRC then drove diagonally from the southwestern corner of the Site's southern section to the northeastern corner of the Site's southern section, observing the southern section's interior from this transect. TRC concluded the Site reconnaissance by observing neighboring properties from public roads including residential and commercial properties to the south, commercial properties to the east, and commercial properties to the north. The railroad was observed during the walking and driving tour from the interior of the Site. Site photographs are included in Appendix 2 and Field Notes are included in Appendix 8.

It should be noted that the entire Site was covered with approximately three and one half foot tall dense vegetation. This vegetation prohibited access to some areas of the Site including the western boundary with the railroad tracts, some areas near the Y-shaped water feature and to the pond in the western part of the Site's southern section. Additionally, the Y-shaped water feature prohibited access to areas of the Site where it was presumed to be wet and vegetation too dense to enter those areas. A silt fence was observed in the southwestern area of the Site's southern section, west of the Gillman Mitsubishi transecting this area completely from east to west (Appendix 2, Photograph 5). This area is hatched out on the GLO provided Espey, Padden Consultant's, Inc. survey of the area and was not entered as part of the Site reconnaissance because the right-to-access was unclear. Observations of this area were made from the northern side of the silt fence.

5.2 Observations

5.2.1 Current Uses of the Property

The subject property's current use is undeveloped agricultural land. Nothing observed during the Site reconnaissance suggested a use other than undeveloped agricultural land.

5.2.2 Past Uses of the Property

Nothing observed during the site reconnaissance suggested a past site usage other than agricultural.

5.2.3 Hazardous Substances and Petroleum Products in Connection with Identified Uses

No hazardous substances or petroleum products in connection with identified uses were observed on the subject property during the site reconnaissance. It should be noted that pesticides, herbicides and fertilizers are typically used in row crop cultivation and may have been used on the subject property depending on if crops were cultivated and then the types of crops cultivated. To the best of Seller's knowledge, no hazardous substances or solid wastes have been disposed of or otherwise released on or to the Site.

5.2.4 Storage Tanks

No evidence of above ground storage tanks (ASTs) or underground storage tanks (USTs) were observed on the subject property. However, the former existence of a farmstead on the subject property suggests the possibility that fuel tanks (either aboveground or underground), used in fueling farm equipment, and/or an underground fuel oil tank, for heating the residential structure, were at one time present and associated with the farmstead. These types of tanks would not have been required to be registered, thus, it would be unlikely that any public records would exist. Therefore, there is a potential that underground storage tanks (USTs) may be present on-site.

5.2.5 Odors

No unusual odors were detected on the subject property during the site reconnaissance.

5.2.6 Pools of Liquid

No pools of liquid were observed on-site during the site reconnaissance.

5.2.7 Drums

No drums were observed on the subject property during the site reconnaissance. However, several drums at Parkview Metal Products were observed from the subject property boundary (Appendix 2, Photograph 4).

5.2.8 Hazardous Substance and Petroleum Products Containers

No hazardous substance or petroleum products containers were observed on-Site during the Site reconnaissance.

5.2.9 Polychlorinated Biphenyls (PCBs)

No electrical transformers with the potential to contain polychlorinated biphenyls (PCBs) were observed on the subject property during the site reconnaissance. However, several electrical transformers were observed along IH 35 access road and near the northern neighbors (Appendix 2, Photograph 6). Their PCB status could not be determined.

5.2.10 Pits, Ponds, and Lagoons

A Y-shaped water feature transects the Site and one water pond is visible in the western part of the Site's southern section. Both features were dry during the Site reconnaissance visit with the exception of the lowest section of the Y-shaped feature in the approximately center of the Site that contained approximately two feet in a two by 10 foot segment (Appendix 2, Photographs 7, 8 and 9).

5.2.11 Stained Soil or Pavement

No stained soil or pavement was observed on the subject property during the Site reconnaissance. It should be noted that the entire Site was covered with approximately 3.5-foot high vegetation and native soil could not be observed through the high vegetation (Appendix 2, Photograph 3).

5.2.12 Stressed Vegetation

No areas of stressed vegetation were observed on the subject property during the Site reconnaissance. However, one area of mounding was noted in the southern section of the Site. This mound may have been created when some of the roads were created (Appendix 2, Photograph 10).

5.2.13 Solid Waste

Solid waste was not observed on the subject property during the Site reconnaissance with the exception of de minimis quantities of highway litter including

bottles, cans and plastic bags. In addition, a few large metal pieces in northern part of southern section.

5.2.14 Wastewater

Wastewater is not currently generated at the subject property. However, according to Mr. Garrett, the current Site owner had sewer and water installed on the Site when the Gillian Mitsubishi was developed (Appendix 2, Photograph 11). The San Marcos Outlet Park marketing information notes that the City of San Marcos provides sewer and water to the Site. The former existence of a farmstead suggests the possibility that a septic system was present on the subject property for sanitary discharges. It is also possible that any subsurface features associated with such a system, such as laterals, tiles, and a tank, may still be present on-Site.

5.2.15 Wells

No water wells were located on the subject property by a search of the Texas Water Development Board (TWDB) Groundwater Database. A water well survey from a commercial provided was not obtained as part of this Phase I ESA investigation. No wells are marked on the historical topographic maps and none were observed during the Site reconnaissance. However, the former existence of a farmstead might suggest the possibility that a private water supply well may be present on-Site.

6.0 FINDINGS AND OPINIONS

This Phase I ESA identified no suspicious conditions on, or adjacent to, the subject property with the exception of the following:

1. Adjacent commercial/industrial sites including Gulf Business Forms, Inc., and Parkview Metal Products that are RCRA generators of hazardous waste including solvents, other volatile chemicals and metals as discussed in Section 4.3.
2. Possible agricultural related chemical use discussed in Section 5.2.3.
3. Possible historical presence of fuel, or heating oil tanks as discussed in Section 5.2.4.
4. Possible presence of a sanitary septic system as discussed in Section 5.2.14.
5. Possible presence of a water supply well as discussed in Section 5.2.15.
6. Presence of an active railroad track bordering the subject property to the west that may be contributing unwanted chemical pollution to the Site with its daily practices and incidental spills.

Condition 1 poses a moderate threat to the subject property because both commercial/industrial sites are listed in the Banks Report as RCRA generators with violations that qualify as REC on neighboring properties. Details of these violations were not reported in the Banks Report but they did indicate generator land ban requirements and Solid Waste Disposal Act violations, which may include improper handling, generating or documenting of hazardous waste, but may also include improper disposal of solid waste. None of these violations noted spills as their citation type, and the RELEASES database did not note a spill to air or surface waters at these properties, however, a spill from one of these sites may flow towards the subject property based on the Site vicinity topography and could pose a threat to the subject property.

The impact condition 2 may pose to subject property cannot be determined without intrusive investigation like soil sampling because limited historical information was available on crop cultivation practices at the Site. However, Site reconnaissance, interviews, and historical aerial photographs did not confirm row crop cultivation on the Site. If the Site was used for row crops, and associated chemicals are present, it is unlikely that they would be present in quantities resulting in significant environmental liability to the property. However, it should be noted that without additional information about the crops grown and agricultural practices at the Site, no firm conclusions can be

made. The possibility of contamination from chemical use, and associated identification as a REC, cannot be eliminated without additional information and/or investigation.

Condition 3 is conditioned upon the assumption that tanks were/are potentially on-site, to support the former farmstead. If present, underground storage tanks would constitute a REC for the subject property. However, no evidence of a tank was found.

Conditions 4 and 5 are, similarly, also conditioned upon an assumption of presence. However, the presence of a sanitary septic system or a water supply well would not necessarily constitute a REC to the subject property, unless evidence of industrial activities on-Site were confirmed that suggested the sanitary septic system was used for disposing of industrial waste.

Condition 6 is not considered a likely source for posing an immediate threat to the subject property, given that the Banks Report did not produce any reports of any spills or other environmental concerns warranting a REC associated with the railroad tracks.

7.0 CONCLUSIONS

TRC has performed a Phase I ESA, in conformance with the scope and limitations of ASTM Practice E 1527-00, at the subject property located south of the City of San Marcos, Texas on the west side of Interstate Highway (IH) 35 between Wonder World Drive and McCarty Lane. Any exceptions to, or deletions from this practice are described in Section 1.3.4 of this report.

This assessment has revealed no concrete evidence of REC in connection with the subject property. Known RECs associated with adjacent property include the following:

- REC on the northern neighboring commercial properties Gulf Business Forms, Inc., and Parkview Metal Products that are RCRA generators of hazardous waste including solvents, other volatile chemicals and metals with regulatory violations and enforcement actions reported in the Banks Report.

However, should concrete evidence arise that confirms industrial activities on Site, the presence of conditions 2 (agricultural related chemical use), and 3 (presence of underground fuel, or heating oil tanks) on the subject property as described in Section 6.0 above, these conclusions must be reconsidered.

8.0 LIMITATIONS AND EXCEPTIONS

8.1.1 Accuracy and Completeness

TRC makes no guarantees as to the accuracy or completeness of information obtained from other sources. It is possible that information exists beyond the scope of this investigation or that was not provided to TRC. Additional data subsequently provided, discovered, or produced may alter the findings or conclusions made in this Phase I ESA report. TRC is under no obligation to update this report to reflect any such information. The findings presented in this report are based upon the information reasonably available and observed Site conditions at the time of this assessment. The findings and conclusions in this report are not meant to be indicative of future conditions at the subject property.

8.1.2 Warranties and Representations

This report does not warrant against: (1) operations or conditions that were not in evidence based on visual observations or historical information obtained; (2) conditions that could only be determined by physical sampling or other intrusive investigation techniques; or (3) locations other than the client-provided addresses and/or legal parcel description or information on off-Site locations (with possible impacts to the subject properties) that is not published in available records.

8.1.3 Continued Validity/User Reliance

This report is presumed to be valid for a period of 180 days from its completion, or until the User obtains specific information that may materially alter a finding, conclusion, or opinion presented in this report, or until the User is notified by TRC of any new information that materially alters a finding, conclusion, or opinion presented in this report.

9.0 REFERENCES

Bureau of Economic Geology, Geologic Atlas of Texas, Seguin Sheet. The University of Texas at Austin, Austin, Texas, 1974. Scale 1:250,000.

Banks Information Solutions, Inc (Banks). *Environmental FirstSearch Report.* Job Number 44184-0020. June 14, 2005.

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Banks Information Solutions, Inc (Banks). Historical Topographic Maps (dated 1964 and 1973). June 9, 2005 via electronic mail.

http://www.tnrcc.state.tx.us/EAPP/zones.html#william (TNRCC 2004). *Edward's Aquifer Boundary by County.* September 16, 2004.

http://wiid.twdb.state.tx.us/ims/wwm_drl/viewer.htm. *Texas Water Development Board (TWDB) Groundwater Database.* Search performed June 16, 2005.

United States Department of Agriculture Soil Conservation Service, Soil Survey of Comal and Hays Counties Texas, 1984.

APPENDIX 1

SCOPE AND LIMITATIONS MEMO

Phase I Environmental Site Assessment
ASTM E 1527-00 and Business Environmental Risk Services

In an effort to ensure that TRC's clients receive the services they need, it is important that users of Phase I environmental site assessments understand the scope of services covered by the ASTM E 1527-00 Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process. Beyond the scope of the E 1527-00 standards, TRC can help our clients protect against other environmental risks in a bundle of services designed to ensure that all of the relevant concerns are addressed. If needed, TRC can also investigate and help manage business environmental risks, perform Phase II investigations, and undertake necessary corrective actions.

I. Purpose and Scope of Phase I Environmental Site Assessments

The ASTM standards for Phase I ESAs are targeted primarily at identifying liability under the Comprehensive Environmental Response Compensation and Liability Act (CERCLA, aka Superfund). ASTM E 1527-00 Phase I environmental site assessments (Phase I ESAs) are designed to determine the existence of "recognized environmental conditions" (RECs). The essential question to be answered by an E 1527-00 Phase I is whether or not there are any conditions on the site which might cause the property to become a Superfund site. While RECs specifically address issues associated with CERCLA (and associated state Superfund programs) liability, the standards allow for addressing other risks associated with property transactions. These risks are referred to as "business environmental risks" and are discussed below.

What is a "recognized environmental condition"?

The E 1527-00 standard defines a REC as: the presence or likely presence of any hazardous substance or petroleum products on a property under conditions that indicate an existing release, a past release, or a material threat of a release of any hazardous substances or petroleum product into structures on the property or into the ground, groundwater, or surface water of the property. The term includes hazardous substances or petroleum products even under conditions in compliance with laws. Thus, conditions may exist on the subject property that constitute a REC even though the REC does not constitute a violation of state or federal law. Additionally, the term is not intended to include *de minimus* environmental conditions that generally do not present a material risk of harm to public health or the environment and that generally would not be subject to an enforcement action if brought to the attention of appropriate government agencies.

Even potential threats, those that have not caused an actual release, can be considered RECs. The E 1527-00 standard defines a "material threat" as: a physically observable or obvious threat which is reasonably likely to lead to a release that, in the opinion of the environmental professional, is threatening and might result in impact to public health or the environment. For example, an above ground petroleum storage tank that has been damaged is rusting but does not yet show evidence of leakage could constitute a "material threat" and be considered a REC.

What is the scope of the Phase I investigation?

It is important to understand what a Phase I is and what it is not. A Phase I ESA is not a guarantee that the subject property is free of all environmental concerns. A Phase I investigation gathers reasonably available existing information about the property. Historical records such as fire insurance maps and/or historical aerial photographs are examined. State and local records are searched to determine the existence of nearby hazardous waste generators, handling or storage facilities, leaking petroleum storage tanks, and other environmental concerns. Interviews are conducted with the property owner or other persons with knowledge about the property and with local government officials such as a fire marshal. A site visit is conducted to visually inspect the subject property for reasonably ascertainable evidence or RECs. Except for conditions that may be discovered during the site visit, the Phase I does not

generate new information about the subject property. For example, sampling of wastes, soils or groundwater are beyond the scope of an E 1527-00 Phase I ESA. If a need for sampling arises, such samples are typically taken as part of a Phase II investigation.

There are numerous conditions which could result in environmental liability or affect the value of a property that would not result in CERCLA liability. For example, the existence of asbestos in a building is not a "recognized environmental condition" for the purposes of the ASTM standard and thus investigation for asbestos is not part of the E 1527-00 practice. However, the existence of asbestos could be an important factor in property acquisition decisions. The ASTM refers to these additional factors as issues of "business environmental risk." The E 1527-00 standard defines a "business environmental risk" as "a risk that can have a material environmental or environmentally-driven impact on the business associated with the current or planned use of a parcel of commercial real estate, not necessarily limited to those environmental issues required to be investigated by this practice." If the Phase I ESA user would like to address business environmental risks, upon request, those services can be included in the initial scope of work prior to beginning the investigation. Typical business environmental risk considerations include but are not limited to:

1. Asbestos
2. Radon
3. Lead-based paint
4. Lead in drinking water
5. Wetlands
6. Regulatory compliance
7. Cultural and historic resources
8. Industrial hygiene
9. Health and safety issues
10. Ecological resources
11. Endangered species
12. Indoor air quality
13. High voltage power lines

II. Phase I ESA User Responsibilities

Prior to initiating a Phase I ESA, the user should consider whether the E 1527-00 standards are adequate and appropriate for the situation and the user's risk tolerance. Prior to initiating the Phase I ESA, TRC can help in evaluating whether services beyond the E 1527-00 standards are appropriate. To ensure that the Phase I ESA is as complete and accurate as possible, the users of Phase I ESAs have certain responsibilities. Users must:

1. Disclose to TRC the reason for the Phase I ESA (i.e. is it needed as part of a real estate transaction, etc.) and all specialized knowledge about, and experience with, the subject property.

2. If the Phase I ESA is required as part of real estate transaction, and the purchase price is below market value, explain why the price is below market value.

3. Check title records for environmental liens.

4. Identify a property owner, environmental manager or other person(s) with knowledge about the subject property who can be interviewed as part of the Phase I ESA. It is important that the person(s) identified have the most extensive knowledge of the subject property available.

APPENDIX 2

SITE PHOTOGRAPHS

PHOTOGRAPHIC REPORTING DATA SHEET

Client:	GLO	**Date Taken:**	June 9, 2005
Project:	Phase I ESA	**Photographer(s):**	S. Chiarello, K Morales
Type of Site:	Agricultural	**Location:**	San Marcos, Texas
Name of Site:	San Marcos Outlet Park		

Photograph 1: Facing northwest from northernmost driveway on northern portion of Site, general Site vegetation.

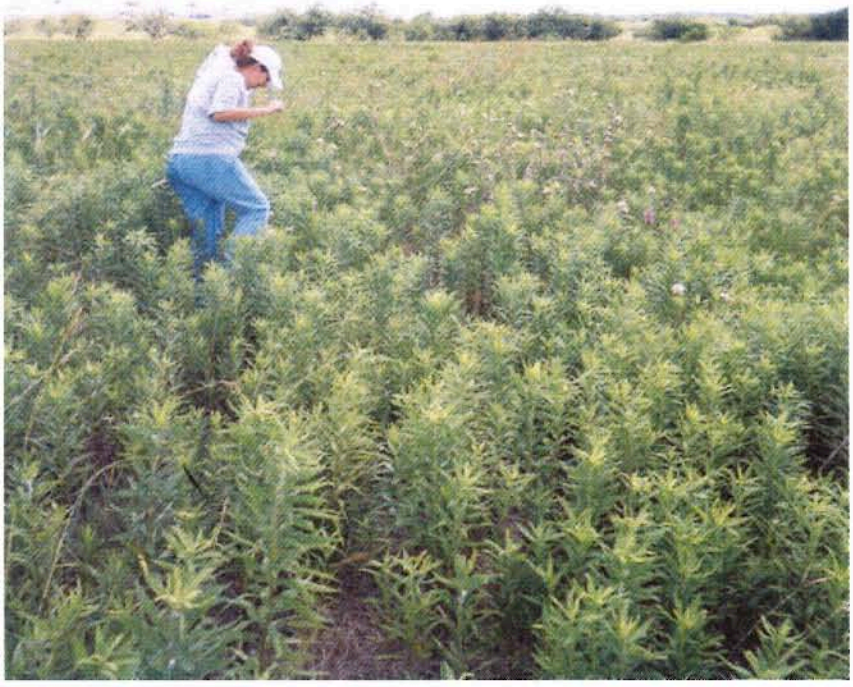
PHOTOGRAPHIC REPORTING DATA SHEET

Client:	GLO	**Date Taken:**	June 9, 2005
Project:	Phase I ESA	**Photographer(s):**	S. Chiarello, K Morales
Type of Site:	Agricultural	**Location:**	San Marcos, Texas
Name of Site:	San Marcos Outlet Park		

Photograph 2: Facing southwest in southern portion of Site, limestone cobbles possibly used to fortify the road.

PHOTOGRAPHIC REPORTING DATA SHEET

Client:	GLO	**Date Taken:**	June 9, 2005
Project:	Phase I ESA	**Photographer(s):**	S. Chiarello, K Morales
Type of Site:	Agricultural	**Location:**	San Marcos, Texas
Name of Site:	San Marcos Outlet Park		



Photograph 3: Facing south from the northern portion of the Site, tree line in center marks the Y-shaped water feature. Notice thick, dense vegetation.

PHOTOGRAPHIC REPORTING DATA SHEET

Client:	GLO	**Date Taken:**	June 9, 2005
Project:	Phase I ESA	**Photographer(s):**	S. Chiarello, K Morales
Type of Site:	Agricultural	**Location:**	San Marcos, Texas
Name of Site:	San Marcos Outlet Park		

Photograph 4: Facing northwest for property boundary, northern neighbor, Park view Metal Products. Notice drum storage on covered back area.

PHOTOGRAPHIC REPORTING DATA SHEET

Client:	GLO	**Date Taken:**	June 9, 2005
Project:	Phase I ESA	**Photographer(s):**	S. Chiarello, K Morales
Type of Site:	Agricultural	**Location:**	San Marcos, Texas
Name of Site:	San Marcos Outlet Park		

Photograph 5: Facing southwest, the silt fence transecting the Site near the Mitsubishi Gillian running east to west.

PHOTOGRAPHIC REPORTING DATA SHEET

Client:	GLO	**Date Taken:**	June 9, 2005
Project:	Phase I ESA	**Photographer(s):**	S. Chiarello, K Morales
Type of Site:	Agricultural	**Location:**	San Marcos, Texas
Name of Site:	San Marcos Outlet Park		

Photograph 6: Transformers on northern neighbor's property.

PHOTOGRAPHIC REPORTING DATA SHEET

Client:	GLO	**Date Taken:**	June 9, 2005
Project:	Phase I ESA	**Photographer(s):**	S. Chiarello, K Morales
Type of Site:	Agricultural	**Location:**	San Marcos, Texas
Name of Site:	San Marcos Outlet Park		

Photograph 7: Facing east from northern portion of the Site, the tree line marking the Y-shaped water feature.

PHOTOGRAPHIC REPORTING DATA SHEET

Client:	GLO	**Date Taken:**	June 9, 2005
Project:	Phase I ESA	**Photographer(s):**	S. Chiarello, K Morales
Type of Site:	Agricultural	**Location:**	San Marcos, Texas
Name of Site:	San Marcos Outlet Park		

Photograph 8: Facing northwest from the southern portion of the property, standing water in the Y-shaped water feature.

PHOTOGRAPHIC REPORTING DATA SHEET

Client:	GLO	**Date Taken:**	June 9, 2005
Project:	Phase I ESA	**Photographer(s):**	S. Chiarello, K Morales
Type of Site:	Agricultural	**Location:**	San Marcos, Texas
Name of Site:	San Marcos Outlet Park		

Photograph 9: Facing west, the pond in the western area of the southern portion of the Site. Notice the trees sitting lower in the vegetation – no water was in the pond during the Site reconnaissance.

PHOTOGRAPHIC REPORTING DATA SHEET

Client:	GLO	**Date Taken:**	June 9, 2005
Project:	Phase I ESA	**Photographer(s):**	S. Chiarello, K Morales
Type of Site:	Agricultural	**Location:**	San Marcos, Texas
Name of Site:	San Marcos Outlet Park		

Photograph 10: Facing northeast, a small mound in the western area of the southern section.

PHOTOGRAPHIC REPORTING DATA SHEET

Client:	GLO	**Date Taken:**	June 9, 2005
Project:	Phase I ESA	**Photographer(s):**	S. Chiarello, K Morales
Type of Site:	Agricultural	**Location:**	San Marcos, Texas
Name of Site:	San Marcos Outlet Park		

Photograph 11: Sanitary sewer marked found in southern portion of Site.

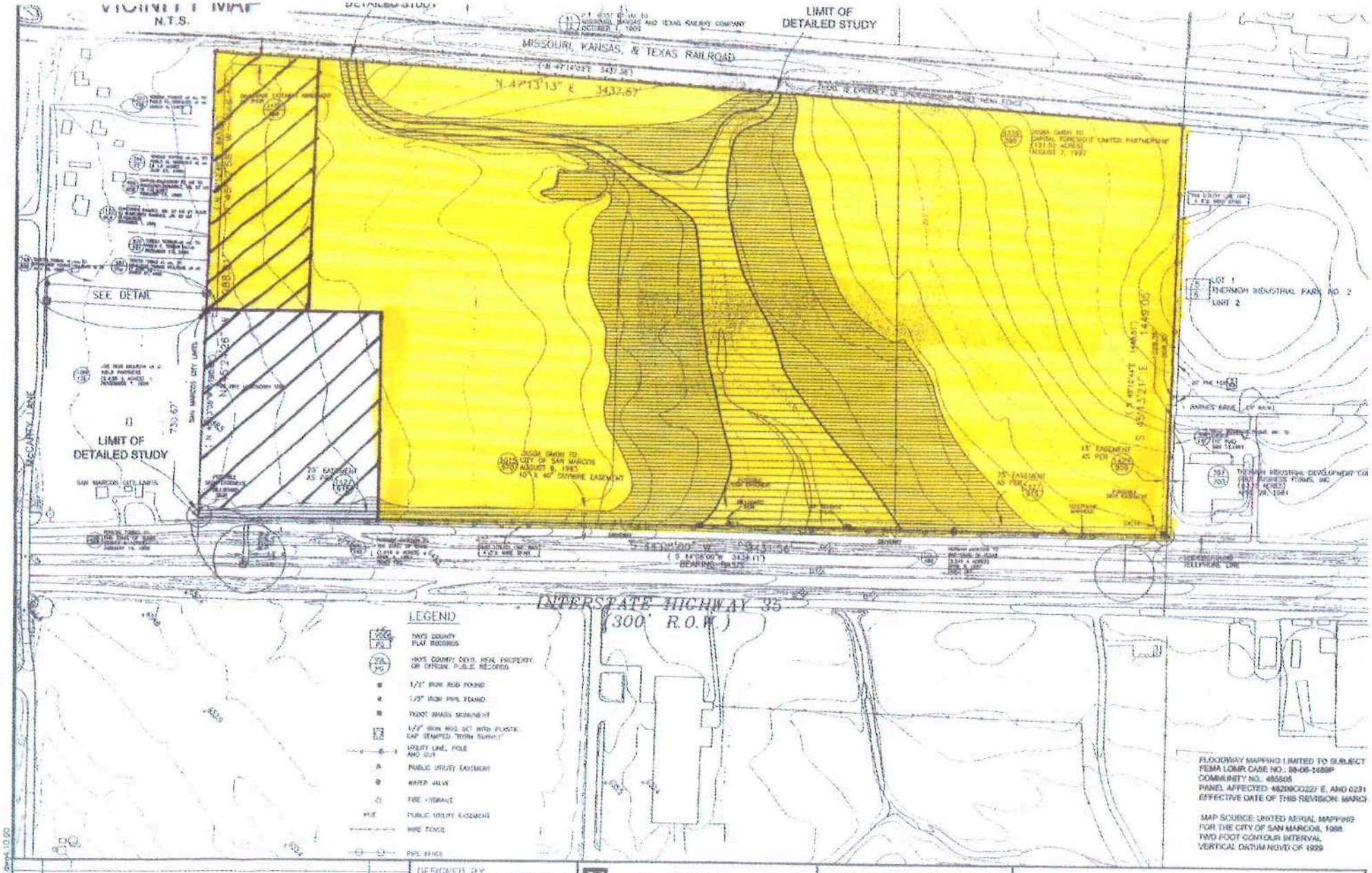
PHOTOGRAPHIC REPORTING DATA SHEET

Client:	GLO	**Date Taken:**	June 9, 2005
Project:	Phase I ESA	**Photographer(s):**	S. Chiarello, K Morales
Type of Site:	Agricultural	**Location:**	San Marcos, Texas
Name of Site:	San Marcos Outlet Park		

Photograph 12: Facing north in the southern portion of the Site, an "X" marked with a stake.

APPENDIX 3

USER PROVIDED INFORMATION


VICINITY MAP
N.T.S.
LIMIT OF DETAILED STUDY
MISSOURI, KANSAS, & TEXAS RAILROAD
N 47°13'13" E 3437.87'
SEE DETAIL
LIMIT OF DETAILED STUDY
SAN MARCOS CITY LIMITS
McCARTY LANE
730.67'
N 42°46'47" W 1288.87'
N 42°52'26" W 1288.87'
25' EASEMENT AS PER
JASOM OMNI TO CITY OF SAN MARCOS AUGUST 9, 1983 10'x 40' SWWPE EASEMENT
15' EASEMENT AS PER
75' EASEMENT AS PER
S 45°13'21" E 1449.05'
LOT 1 THERMOH INDUSTRIAL PARK NO. 2 UNIT 2
S 44°48'00" W 3431.56'
(S 44°28'00" W 3431.11' BEARING BASIS
INTERSTATE HIGHWAY 35
(300' R.O.W.)
LEGEND
HAYS COUNTY PLAT RECORDS
HAYS COUNTY DEED, REAL PROPERTY OR OFFICIAL PUBLIC RECORDS
1/2" IRON ROD FOUND
1/2" IRON PIPE FOUND
PK NAIL FOUND
1/2" IRON ROD SET WITH PLASTIC CAP STAMPED "ESPEY SURVEY"
UTILITY LINE, POLE AND GUY
PUBLIC UTILITY EASEMENT
WATER VALVE
FIRE HYDRANT
PUE PUBLIC UTILITY EASEMENT
WIRE FENCE
PIPE FENCE
FLOODWAY MAPPING LIMITED TO SUBJECT
FEMA LOMR CASE NO.: 98-06-1459P
COMMUNITY NO.: 485505
PANEL AFFECTED: 48209C0227 E, AND 0231
EFFECTIVE DATE OF THIS REVISION: MARCH
MAP SOURCE: UNITED AERIAL MAPPING FOR THE CITY OF SAN MARCOS, 1998.
TWO FOOT CONTOUR INTERVAL
VERTICAL DATUM NGVD OF 1929
NO. DATE REVISIONS BY
DESIGNED BY
DRAWN BY
CHECKED BY
REVIEWED BY
Espey, Padden Consultants, Inc.
Environmental & Engineering Services
ESPEY, PADDEN CONSULTANTS, INC
3809 S. SECOND ST
SUITE B-300
AUSTIN, TEXAS 78704
CLIENT
KOONTZ/McCOMBS

APPENDIX 4

REALTOR PROVIDED INFORMATION

SAN MARCOS OUTLET PARK
113 ACRE SOUTH IH-35 DEVELOPMENT TRACT
SAN MARCOS, TEXAS

MIXED USE COMMERCIAL AND INDUSTRIAL DEVELOPMENT

On the west side of IH-35, north of McCarty Drive.

$6,150,000

($54,450 / Acre) for all 113 acres or will divide.
Lot prices vary by lot.

Don Garrett, CCIM
Randall Morris & Associates
333 Cheatham St.
San Marcos, TX 78666
Ph: (512) 353-1776
Fx: (512) 396-9934
Cell: (512) 757-2814
E-mail: dgarrett@ccim.net

Disclaimer

Randall Morris & Associates reserves the right to withdraw this offer at any time without prior notice. The information contained herein is based upon sources deemed to be reliable, but the accuracy of such information is not guaranteed, nor should the information be considered all inclusive. Statements as contained in this analysis which involve matters of opinion, whether or not identified as opinion, are intended to be that only, and not representations of fact. The price and terms of this offering may be subject to change at any time.

CCIM
Individual Member

SAN MARCOS OUTLET PARK
113 ACRE SOUTH IH-35 DEVELOPMENT TRACT
SAN MARCOS, TEXAS

PROJECT SUMMARY

PROJECT: Mixed-use retail, entertainment, distribution warehouse development project with acreage sites or pad sites for sale, or "build-to-suit" improvements available.

LOCATION: South IH-35, San Marcos, Hays County, Texas, about one mile from the Outlet Mall. It is located on the west side of IH-35, south of Wonder World Drive and north of McCarty Lane, and is within the city limits of San Marcos. San Marcos is 30 miles south of Austin and 50 miles north of San Antonio.

OWNER: Capital Foresight, LP, Beverly Hills, CA

SITE: Originally a 121.5 acre development site, the remaining area is 113 acres with about 2,900 feet of IH-35 frontage. The site has moderately sloping topography and it is traversed by a drainage area which is within the 100 Year floodway.

IMPROVEMENTS: The tracts shown are not platted and can be configured to suit the needs of the buyer. All City utilities are available on site. Streets are planned but not built.

ZONING: "I" - Industrial, City of San Marcos, allows the following uses; light industrial, office, manufacturing, wholesale and warehouse distribution, freight terminals, petroleum bulk terminals, etc. Rezoning of part or all to commercial use is feasible.

ACCESS: Highway access is provided on the west side of IH-35 (south bound) access road, with U-turn lanes provided at the Wonder World Drive and the McCarty Lane overpasses.
Rail access is possible by creating a rail spur of the Missouri, Kansas & Texas Railroad that borders the property on the west.

FRONTAGE: Approximately 2,900 feet on the west side (south bound) access road of IH-35.

UTILITIES: Water and Sewer - City of San Marcos
Electricity - San Marcos Electric
Gas - Entex Gas Company
Telephone - Century Telephone

METROPOLITAN AREA: San Marcos' location in the Austin / San Antonio growth corridor makes it a great place to live and do business. It is an ideal center for skilled manpower, as well as for the distribution of goods and services. This corridor has one of the most rapidly expanding regional economies in the nation. Interstate 35 is the central avenue for the trade between Canada, the US and Mexico which has increased dramatically with NAFTA. San Marcos is only minutes away from Interstate 10, the vital transportation link between the east and west coasts of the US.

Three of the ten largest cities in the US and 70% of the Texas population are within 200 miles of San Marcos, as is Laredo, the major gateway city to Mexico.

Private aviation is served through San Marcos Municipal Airport which is fully instrumented and has four asphalt runways over a mile long. Local charter and instructional services are provided. Commercial air service is convenient through Austin-Bergstrom International Airport, 35 minutes north, and San Antonio International Airport, 55 minutes to the south.

FOR SALE or BUILD-TO-SUIT

SAN MARCOS OUTLET PARK

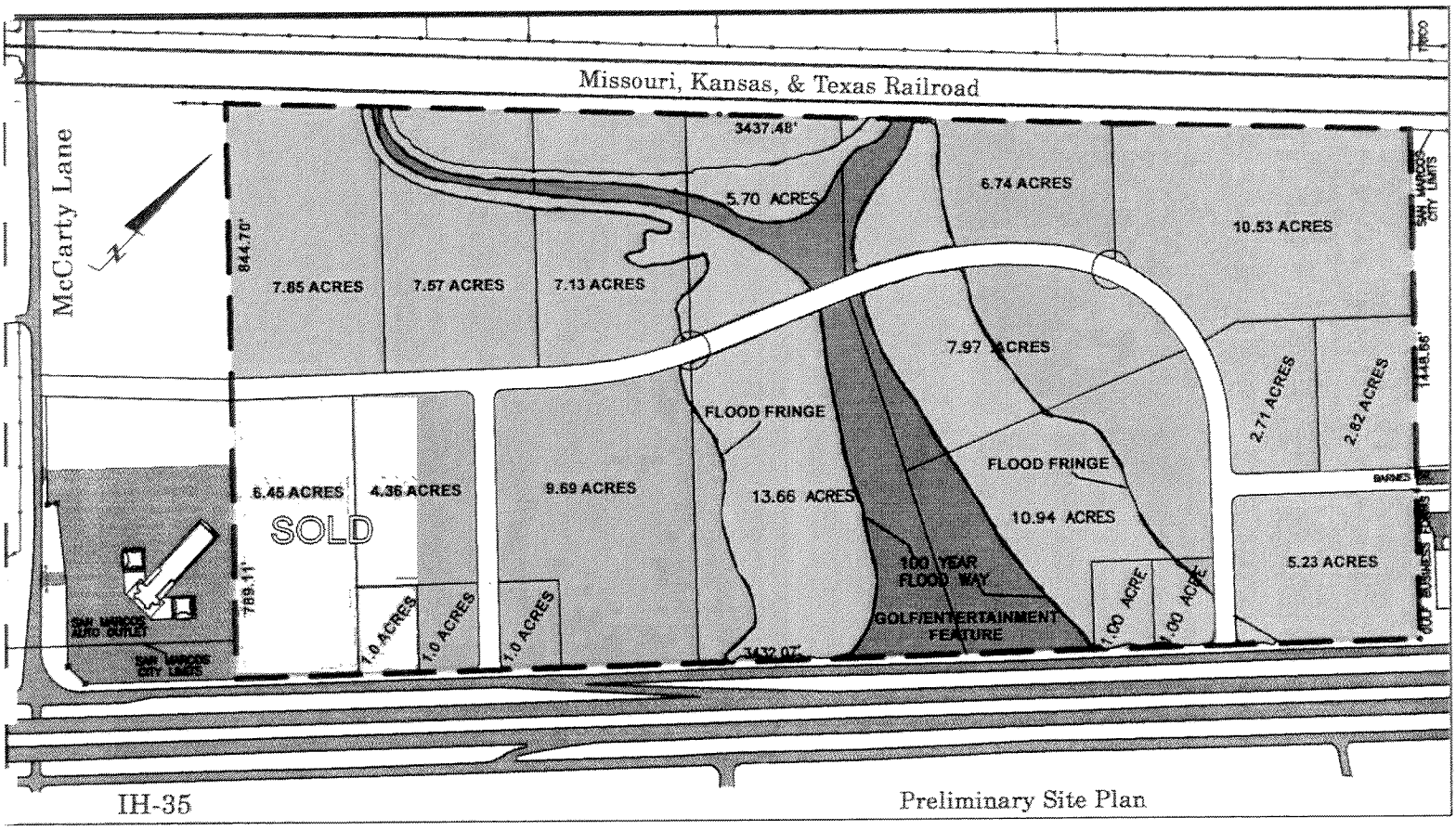
RETAIL - ENTERTAINMENT - DISTRIBUTION
MANUFACTURING - WAREHOUSING

SAN ANTONIO - AUSTIN IH-35 CORRIDOR
IH-35 @ McCARTY (Exit 201)
SAN MARCOS, TEXAS

DON GARRETT
Randall Morris & Associates
E-Mail: dgarrett@itouch.net
Tel: 512.353.1776
Fax: 512.353.1773
San Marcos, Texas

MICHAEL HOOVER
D.B.Harrell
COMMERCIAL
REAL ESTATE SERVICES
Tel: 210.222.2424
Fax: 210.271.0183
San Antonio, Texas

SAN MARCOS OUTLET PARK



For detailed information, contact:

Don Garrett
Randall Morris & Associates Real Estate
333 Cheatham St.
San Marcos, Texas 78666
512.353.1776
or
Michael Hoover
J.B. Harrell Management Co.
5001 N. St. Mary's Street
San Antonio, Texas 78205
210.222.2424

Information furnished is from sources deemed reliable and is submitted subject to errors, omissions, change of terms and/or conditions, prior sale, lease or withdrawal without notice.

Acreage or Pad sites for sale or build-to-suit for retail, entertainment, distribution, manufacturing or warehousing

121.5 acres with 3,432 feet of IH-35 frontage

Highway access on IH-35 frontage with Exit 201 Off Ramp to feeder street and U-turn lanes at the McCarty Lane and Wonder World Drive overpasses; 60,000 annual average daily traffic count, 1998

MKT Rail access possible at rear of property

Three of the ten largest cities in the U.S. and 70% of the Texas population are within 200 miles of San Marcos, as is Laredo, the major gateway city to Mexico

APPENDIX 5

BANKS REPORT

Banks Information Solutions, Inc.

Environmental FirstSearch™ Report

TARGET PROPERTY:

MCCARTY LANE

SAN MARCOS TX 78666

Job Number: 44184-0020

PREPARED FOR:

TRC

505 East Huntland Drive, Ste. 250

Austin, TX 78752

06-14-05

Tel: (512) 478-0059 *Fax: (512) 478-1433*

Environmental FirstSearch is a registered trademark of FirstSearch Technology Corporation. All rights reserved.

Environmental FirstSearch
Search Summary Report

Target Site: MCCARTY LANE
SAN MARCOS TX 78666

FirstSearch Summary

Database	Sel	Updated	Radius	Site	1/8	1/4	1/2	1/2>	ZIP	TOTALS
NPL	Y	02-14-05	1.00	0	0	0	0	0	0	0
CERCLIS	Y	04-14-05	0.50	0	0	0	0	-	0	0
NFRAP	Y	06-23-04	0.25	0	0	0	-	-	1	1
RCRA TSD	Y	02-14-05	0.50	0	0	0	0	-	0	0
RCRA COR	Y	02-14-05	1.00	0	0	0	0	0	0	0
RCRA GEN	Y	02-14-05	0.25	0	4	0	-	-	1	5
ERNS	Y	12-31-04	0.25	0	0	0	-	-	4	4
State Sites	Y	01/05/05	1.00	0	0	0	0	0	1	1
SWL	Y	09-16-02	0.50	0	0	0	0	-	1	1
Other	Y	03/22/05	0.25	0	4	0	-	-	6	10
REG UST/AST	Y	03/11/05	0.25	0	1	0	-	-	15	16
Leaking UST	Y	03/16/05	0.50	0	1	0	2	-	2	5
Releases(Air/Water)	Y	12-31-04	0.25	0	0	0	-	-	6	6
Brownfield	Y	05-13-05	0.25	0	0	0	-	-	0	0
- TOTALS -				0	10	0	2	0	37	49

Notice of Disclaimer

Due to the limitations, constraints, inaccuracies and incompleteness of government information and computer mapping data currently available to Banks Information Solutions, Inc., certain conventions have been utilized in preparing the locations of all federal, state and local agency sites residing in Banks Information Solutions, Inc.'s databases. All EPA NPL and state landfill sites are depicted by a rectangle approximating their location and size. The boundaries of the rectangles represent the eastern and western most longitudes; the northern and southern most latitudes. As such, the mapped areas may exceed the actual areas and do not represent the actual boundaries of these properties. All other sites are depicted by a point representing their approximate address location and make no attempt to represent the actual areas of the associated property. Actual boundaries and locations of individual properties can be found in the files residing at the agency responsible for such information.

Waiver of Liability

Although Banks Information Solutions, Inc. uses its best efforts to research the actual location of each site, Banks Information Solutions, Inc. does not and can not warrant the accuracy of these sites with regard to exact location and size. All authorized users of Banks Information Solutions, Inc.'s services proceeding are signifying an understanding of Banks Information Solutions, Inc.'s searching and mapping conventions, and agree to waive any and all liability claims associated with search and map results showing incomplete and or inaccurate site locations.

Environmental FirstSearch
Site Information Report

Request Date:	06-14-05	**Search Type:**	AREA
Requestor Name:	Stephanie Chiarello	**Job Number:**	44184-0020
Standard:	ASTM		

TARGET ADDRESS: MCCARTY LANE
SAN MARCOS TX 78666

Demographics

Sites:	49	**Non-Geocoded:**	37	**Population:**	NA
Radon:	0.1 - 2.1 PCI/L				

Site Location

	Degrees (Decimal)	**Degrees (Min/Sec)**		**UTMs**
Longitude:	-97.969214	-97:58:9	**Easting:**	599574.623
Latitude:	29.846175	29:50:46	**Northing:**	3302006.883
			Zone:	14

Comment

Comment:

Additional Requests/Services

Adjacent ZIP Codes: 0 Mile(s)

ZIP Code	City Name	ST	Dist/Dir	Sel

Services:

	Requested?	Date
Sanborns	No	
Aerial Photographs	No	
Topographical Maps	No	
City Directories	No	
Title Search	No	
Municipal Reports	No	
Online Topos	No	

Environmental FirstSearch
Sites Summary Report

TARGET SITE: MCCARTY LANE
SAN MARCOS TX 78666

JOB: 44184-0020

TOTAL: 49 **GEOCODED:** 12 **NON GEOCODED:** 37 **SELECTED:** 0

Map ID	DB Type	Site Name/ID/Status	Address	Dist/Dir	Page No.
	ERNS	NRC-598637/RAILROAD NON-RELEASE	HOPKINS RD SAN MARCOS TX	NON GC	N/A
	ERNS	MILEPOST 210.8 NRC-737945/RAILROAD NON-RELEASE	AUSTIN SUBDIVISION W EST WES SAN MARCOS TX	NON GC	N/A
	ERNS	MILE POST 209.15 NRC-630825/RAILROAD NON-RELEASE	SAN MARCOS TX	NON GC	N/A
	ERNS	700 BLOCK OF RIVER RD. NRC-577476/MOBILE	SAN MARCOS TX	NON GC	N/A
8	LUST	TOWN & COUNTRY AUTO RANCH 099185	2701 S IH 35 SAN MARCOS TX 78666	0.08 SW	1
6	LUST	SAN MARCOS TELEPHONE COMPANY 107226	2900 BLK HUNTER RD SAN MARCOS TX 78666	0.34 NW	2
7	LUST	THERMON MANUFACTURING CO 096363	100 BARNES DR SAN MARCOS TX 78666	0.36 NE	3
	LUST	SAN MARCOS TELEPHONE CO 105764	100 BLK FREDERICKSBURG SAN MARCOS TX 78666	NON GC	N/A
	LUST	W SIDE BLANCO RIVER 091316	BLANCO SAN MARCOS TX 78666	NON GC	N/A
	NFRAP	KERR-BAN FURNITURE MFG CO-SAN MARC TXT490012317/NFRAP-N	INTERSTATE 35 SOUTH SAN MARCOS TX 78666	NON GC	N/A
2	OTHER	GULF BUSINESS FORMS IHW-66160/ACTIVE	2460 S IH 35 SAN MARCOS TX 78666	0.04 SE	4
1	OTHER	T B WOODS IHW-69420/INACTIVE	2401 S IH 35 SAN MARCOS TX 78666	0.05 SE	10
4	OTHER	PARKVIEW METAL PRODUCTS IHW-20507/ACTIVE	400 BARNES DR SAN MARCOS TX 78666	0.11 NE	12
3	OTHER	MENSOR IHW-34636/ACTIVE	201 BARNES ST SAN MARCOS TX 78666	0.11 NE	17
	OTHER	US DEPT OF LABOR IHW-74012/INACTIVE	STATE HIGHWAY 21 SAN MARCOS TX 78666	NON GC	N/A
	OTHER	SISNEROS PONTIAC GMC IHW-74921/INACTIVE	2701 IH 35 N SAN MARCOS TX 78666	NON GC	N/A
	OTHER	INTERNATIONAL ELECTRIC-FORMERLY IHW-37504/INACTIVE	1 INTERNATIONAL ELECTRIC D SAN MARCOS TX 78666	NON GC	N/A
	OTHER	JOHNSTON GIBBSON FORD IHW-66174/INACTIVE	IH 35 & SEGUIN HIGHWAY SAN MARCOS TX 78666	NON GC	N/A
	OTHER	KERR BAN FURNITURE MANUFACTURING IHW-31035/INACTIVE	IH 25 S SAN MARCOS TX 78666	NON GC	N/A
	OTHER	SIGN CRAFTERS IHW-81822/ACTIVE	700 S IH 35 N SAN MARCOS TX 78666	NON GC	N/A
2	RCRAGN	GULF BUSINESS FORMS INC TXD988021309/SGN	2460 S IH 35 SAN MARCOS TX 78666	0.04 SE	19

Environmental FirstSearch
Sites Summary Report

TARGET SITE: MCCARTY LANE
SAN MARCOS TX 78666

JOB: 44184-0020

TOTAL: 49 **GEOCODED:** 12 **NON GEOCODED:** 37 **SELECTED:** 0

Map ID	DB Type	Site Name/ID/Status	Address	Dist/Dir	Page No.
1	RCRAGN	DANA CORP SAN MARCOS PLANT TXD045261369/SGN	2401 S I-35 SAN MARCOS TX 78666	0.05 SE	22
3	RCRAGN	MENSOR TXD049077910/SGN	201 BARNES ST SAN MARCOS TX 78666	0.11 NE	23
4	RCRAGN	PARKVIEW METAL PRODUCTS INC TXD988043683/SGN	400 BARNES DR SAN MARCOS TX 78666	0.11 NE	25
	RCRAGN	SAN MARCOS PONTIAC-GMC INC TXD987982758/SGN	2701 I-35 SAN MARCOS TX 78666	NON GC	N/A
	RELEASES	SOUTHWEST TEXAS STATE UNIV. 587905/OFFSHORE - SPILL OFF	SESSOMS AND AQUARENA SPRING SAN MARCOS TX 78666	NON GC	N/A
	RELEASES	BEHIND THE BUILDING NRC-596055/FIXED	1401 SAN ANTONIA STREET SAN MARCOS TX	NON GC	N/A
	RELEASES	RANCH ROAD 12 NRC-587276/MOBILE	SAN MARCOS TX	NON GC	N/A
	RELEASES	NRC-649761/FIXED	823 D BRACEWOOD CIRCLE SAN MARCOS TX	NON GC	N/A
	RELEASES	NRC-733201/STORAGE TANK	1550 IH-35 SAN MARCOS TX	NON GC	N/A
	RELEASES	OASIS PIPE LINE CO TX L.T 590627/PIPELINE RELATED	OFF HWY 123, 13 MILES SOUTH SAN MARCOS TX 78666	NON GC	N/A
	STATE	B.F. DONALDSON ADDITION, LOT 1A, B 0143/COMPLETED	VARIOUS SITES SAN MARCOS TX 78666	NON GC	N/A
	SWL	MEDICAL ENVIRONMENTAL DIS 50006	SAN MARCOS TX	NON GC	N/A
5	UST	CECIL ATKISSION MOTORS SAN MARCOS 0067041	2701 S IH 35 SAN MARCOS TX 78666	0.09 SW	27
	UST	WIEMERS OIL INC 0037499	HWY 90 & 173 SABINAL TX 78666	NON GC	N/A
	UST	TRANSIT MIX PLANT 273 0020220	2507 IH 35 N SAN MARCOS TX 78666	NON GC	N/A
	UST	SAN MARCOS TELEPHONE CO 0063787	S FREDERICKSBURG SAN MARCOS TX 78666	NON GC	N/A
	UST	SAN MARCOS QUARRY 0052030	LIME KILN RD SAN MARCOS TX 78666	NON GC	N/A
	UST	PIT N GIT 0007978	R RD 32 SAN MARCOS TX 78666	NON GC	N/A
	UST	SAN MARCOS PRESTRESS PLANT 0051647	SAN MARCOS TX 78666	NON GC	N/A
	UST	SAN MARCOS PLANT 273 0072173	BLANCO & I 35 SAN MARCOS TX 78666	NON GC	N/A

Environmental FirstSearch
Sites Summary Report

TARGET SITE: MCCARTY LANE
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TOTAL: 49 **GEOCODED:** 12 **NON GEOCODED:** 37 **SELECTED:** 0

Map ID	DB Type	Site Name/ID/Status	Address	Dist/Dir	Page No.
	UST	SAC N PAC 601 0018186	FM 2673 & RIVER RD SATTLER TX 78666	NON GC	N/A
	UST	SAC N PAC 115 0070372	9315 RANCH ROAD 12 SAN MARCOS TX 78666	NON GC	N/A
	UST	PONTIAC DEALERSHIP 0022788	1535 & HINES SAN MARCOS TX 78666	NON GC	N/A
	UST	PIT STOP FOOD MART 18 0022789	1214 IH 35 S SAN MARCOS TX 78666	NON GC	N/A
	UST	DOI US FISH & WILDLIFE SERV 0049233	SAN MARCOS TX 78666	NON GC	N/A
	UST	N H POSEY 0007992	R RD 32 SAN MARCOS TX 78666	NON GC	N/A
	UST	PAPE FARMS 0059302	FM 1979 SAN MARCOS TX 78666	NON GC	N/A
	UST	SAN MARCOS SHELL 0074398	2201 IH 35 S SAN MARCOS TX 78666	NON GC	N/A

Environmental FirstSearch
Site Detail Report

TARGET SITE: MCCARTY LANE
SAN MARCOS TX 78666

JOB: 44184-0020

LEAKING UNDERGROUND STORAGE TANKS

SEARCH ID: 12 **DIST/DIR:** 0.08 SW **MAP ID:** 8

NAME:	TOWN & COUNTRY AUTO RANCH	REV:	02/14/05
ADDRESS:	2701 S IH 35	**ID1:**	099185
	SAN MARCOS TX 78666	**ID2:**	0067041
	HAYS	**STATUS:**	
CONTACT:	STAN EDWARDS	**PHONE:**	512/392-4300

SITE INFORMATION

REPORTED:	6/3/1991
ENTERED INTO SYSTEM:	6/7/1991
SITE PRIORITY:	soil contamination only, requires full site assessment & rap
SITE STATUS:	Final concurrence issued, case close
PRP:	T & C ENTERPRISES
PRP ADDRESS:	PO BOX 1310
	SAN MARCOS TX 78667
PRP CONTACT:	STAN EDWARDS
PRP PHONE:	512/392-4300

LUST INFORMATION

TANK NUMBER:	1
STATUS:	Removed From Ground
STATUS DATE:	08311998
INSTALL DATE:	01011987
REGISTERED DATE:	10111991
CAPACITY:	0000000 Gallons
EXT CONTAINMENT DESIGN:	-
	-
CONSTRUCTION MATERIAL:	Concrete
CORROSION PROTECTION:	-
	- None
CORROSION PROT VARIANCE:	No Variance
STG 1 VAPOR RECOVERY EQUIP STATUS:	Not Reported
STG 1 EQUIP INSTALL DATE:	
STG 2 VAPOR RECOVERY EQUIP STATUS:	
STG 2 EQUIP INSTALL DATE:	
INSTALLER COMPANY:	
INSTALLER NAME:	
INSTALLER LICENSE NUMBER:	
TYPE OF PIPE:	
PIPE MATERIAL:	
PIPE DESIGN EXT CONTAINMENT:	- -
PIPE CONECTORS & VALVES:	- -
PIPE CORROSION PROTECTION:	-
	- None
PIPE CORROSION PROT VARIANCE:	No Variance
SUBSTANCE STORED:	Unknown
TANK RLSE DETECTION METHODS:	- - -
TANK RLSE DETECTION VARIANCE:	No Variance
PIPE RLSE DETECTION METHODS:	- - -
PIPE RLSE VARIANCE:	No Variance
SPILL/OVERFILL PREVENTION:	- -
SPILL/OVERFILL VARIANCE:	No Variance

Environmental FirstSearch
Site Detail Report

TARGET SITE: MCCARTY LANE
SAN MARCOS TX 78666

JOB: 44184-0020

LEAKING UNDERGROUND STORAGE TANKS

SEARCH ID: 10 **DIST/DIR:** 0.34 NW **MAP ID:** 6

NAME:	SAN MARCOS TELEPHONE COMPANY	**REV:**	02/14/05
ADDRESS:	2900 BLK HUNTER RD	**ID1:**	107226
	SAN MARCOS TX 78666	**ID2:**	0005231
	HAYS	**STATUS:**	
CONTACT:	ERWIN HAGEDORN	**PHONE:**	/-

SITE INFORMATION

REPORTED:	8/19/1993
ENTERED INTO SYSTEM:	1/23/1995
SITE PRIORITY:	no gw impacted, no apparent threats or impacts to receptors
SITE STATUS:	Final concurrence issued, case close
PRP:	SAN MARCOS TELEPHONE CO
PRP ADDRESS:	PO BOX 828
	SAN MARCOS TX 78666
PRP CONTACT:	ERWIN HAGEDORN
PRP PHONE:	/-

LUST INFORMATION

TANK NUMBER:	RLS 4
STATUS:	Removed From Ground
STATUS DATE:	08141993
INSTALL DATE:	01011985
REGISTERED DATE:	05081986
CAPACITY:	0000500 Gallons
EXT CONTAINMENT DESIGN:	-
	-
CONSTRUCTION MATERIAL:	Steel
CORROSION PROTECTION:	-
	- Cathodic Protection
CORROSION PROT VARIANCE:	No Variance
STG 1 VAPOR RECOVERY EQUIP STATUS:	Not Reported
STG 1 EQUIP INSTALL DATE:	
STG 2 VAPOR RECOVERY EQUIP STATUS:	
STG 2 EQUIP INSTALL DATE:	
INSTALLER COMPANY:	
INSTALLER NAME:	
INSTALLER LICENSE NUMBER:	
TYPE OF PIPE:	
PIPE MATERIAL:	Steel
PIPE DESIGN EXT CONTAINMENT:	- -
PIPE CONECTORS & VALVES:	- -
PIPE CORROSION PROTECTION:	-
	- None
PIPE CORROSION PROT VARIANCE:	No Variance
SUBSTANCE STORED:	DIESEL
TANK RLSE DETECTION METHODS:	- - - None
TANK RLSE DETECTION VARIANCE:	No Variance
PIPE RLSE DETECTION METHODS:	- - - None
PIPE RLSE VARIANCE:	No Variance
SPILL/OVERFILL PREVENTION:	- -
SPILL/OVERFILL VARIANCE:	No Variance

Environmental FirstSearch
Site Detail Report

TARGET SITE: MCCARTY LANE
SAN MARCOS TX 78666

JOB: 44184-0020

LEAKING UNDERGROUND STORAGE TANKS

SEARCH ID: 11 **DIST/DIR:** 0.36 NE **MAP ID:** 7

NAME:	THERMON MANUFACTURING CO	**REV:**	02/14/05
ADDRESS:	100 BARNES DR	**ID1:**	096363
	SAN MARCOS TX 78666	**ID2:**	0050963
	HAYS	**STATUS:**	
CONTACT:	KEN DOWNING	**PHONE:**	512/392-5801

SITE INFORMATION

REPORTED:	8/3/1990
ENTERED INTO SYSTEM:	8/7/1990
SITE PRIORITY:	minor soil contamination - does not require a rap
SITE STATUS:	Final concurrence issued, case close
PRP:	THERMON MANUFACTURING CO
PRP ADDRESS:	100 THERMON DR SAN MARCOS TX 78666
PRP CONTACT:	KEN DOWNING
PRP PHONE:	512/392-5801

LUST INFORMATION

TANK NUMBER:	1
STATUS:	Removed From Ground
STATUS DATE:	08031990
INSTALL DATE:	
REGISTERED DATE:	02271990
CAPACITY:	0000000 Gallons
EXT CONTAINMENT DESIGN:	- -
CONSTRUCTION MATERIAL:	
CORROSION PROTECTION:	- - None
CORROSION PROT VARIANCE:	No Variance
STG 1 VAPOR RECOVERY EQUIP STATUS:	Not Reported
STG 1 EQUIP INSTALL DATE:	
STG 2 VAPOR RECOVERY EQUIP STATUS:	
STG 2 EQUIP INSTALL DATE:	
INSTALLER COMPANY:	
INSTALLER NAME:	
INSTALLER LICENSE NUMBER:	
TYPE OF PIPE:	
PIPE MATERIAL:	
PIPE DESIGN EXT CONTAINMENT:	- -
PIPE CONECTORS & VALVES:	- -
PIPE CORROSION PROTECTION:	- - None
PIPE CORROSION PROT VARIANCE:	No Variance
SUBSTANCE STORED:	Empty
TANK RLSE DETECTION METHODS:	- - - None
TANK RLSE DETECTION VARIANCE:	No Variance
PIPE RLSE DETECTION METHODS:	- - - None
PIPE RLSE VARIANCE:	No Variance
SPILL/OVERFILL PREVENTION:	- -
SPILL/OVERFILL VARIANCE:	No Variance

TARGET SITE: MCCARTY LANE
SAN MARCOS TX 78666

JOB: 44184-0020

OTHER SITE

SEARCH ID: 5 **DIST/DIR:** 0.04 SE **MAP ID:** 2

NAME:	GULF BUSINESS FORMS	**REV:**	02/10/2005
ADDRESS:	2460 S IH 35	**ID1:**	IHW-66160
	SAN MARCOS TX 78666	**ID2:**	TXD988021309
	HAYS	**STATUS:**	ACTIVE
CONTACT:	RAYMOND KONECNY	**PHONE:**	512-353-8313

FACILITY INFORMATION:

REGISTRATION NUMBER:	66160
INITIAL NOTIFICATION DATE:	19840305
LAST AMMENDMENT DATE:	20020226
EPA ID:	TXD988021309
TCEQ PERMIT:	Not reported
SITE PRIMARY STD. IND. CODE:	27610 - Manufacturing - Manifold Business Forms
GENERATOR OF WASTE:	Yes
RECEIVERS OF WASTE:	No
TRANSPORTERS OF WASTE:	No
TRANSFER FACILITY:	No
MEXICAN FACILITY (Maquiladora):	No
TYPE OF GENERATOR:	SQG/Non-industrial and/or municipal
INDUSTRIAL WASTE PERMIT NUMBER:	Not reported
MUNICIPAL WASTE PERMIT NUMBER:	Not reported
MAILING ADDRESS:	
MAILING ADDRESS 2:	PO Box 1073
MAILING ADDRESS 3:	San Marcos TX 78666 - 1073
MAILING COUNTRY:	USA
LOCATION DESCRIPTION:	2460 S IH 35, San Marcos, TX

OWNER INFORMATION

COMPANY or INDIVIDUAL S NAME:	Gulf Business Forms Inc
CONTACT:	Raymond Konecny
CONTACT PHONE:	512-353-8313
OWNER MAILING ADDRESS:	
OWNER MAILING ADDRESS 2:	San Marcos TX 78666-1073
OWNER P. O. BOX:	PO Box 1073
OWNER TELEPHONE:	512-353-8313
OWNER FAX:	Not reported
OWNER EMAIL:	Not reported
TYPE OF BUSINESS:	Corporation

OPERATOR INFORMATION

COMPANY or INDIVIDUAL S NAME:	Gulf Business Forms Inc
OPERATOR MAILING ADDRESS:	
OPERATOR MAILING ADDRESS 2:	San Marcos TX 78666-1073
OPERATOR TELEPHONE:	512-353-8313
OPERATOR FAX:	
OPERATOR EMAIL:	
TYPE OF BUSINESS:	Corporation**OPERATOR TAX ID:**

WASTE INFORMATION

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TARGET SITE: MCCARTY LANE
SAN MARCOS TX 78666

JOB: 44184-0020

OTHER SITE

SEARCH ID: 5 **DIST/DIR:** 0.04 SE **MAP ID:** 2

NAME: GULF BUSINESS FORMS
ADDRESS: 2460 S IH 35
SAN MARCOS TX 78666
HAYS
CONTACT: RAYMOND KONECNY

REV: 02/10/2005
ID1: IHW-66160
ID2: TXD988021309
STATUS: ACTIVE
PHONE: 512-353-8313

TX WASTE CODE (8 character code): 0004203H
TX WASTE CODE (6 digit code being phased out):
WASTE CODE STATUS: Active
WASTE DESCRIPTION FROM WASTE FORM: Non-halogenated solvent
GENERATOR S WASTE DESCRIPTION: Cold parts cleaner used for cleaning numbering machines. Initial generation dat
PRIMARY SOURCE: Cleaning out process equipment

TX WASTE CODE (8 character code): 00162031
TX WASTE CODE (6 digit code being phased out):
WASTE CODE STATUS: Active
WASTE DESCRIPTION FROM WASTE FORM: Non-halogenated solvent
GENERATOR S WASTE DESCRIPTION: Waste petroleum naptha contaminated with TRACE amounts of chlorinated solvents.
PRIMARY SOURCE:

TX WASTE CODE (8 character code):
TX WASTE CODE (6 digit code being phased out): 900570
WASTE CODE STATUS: Inactive
WASTE DESCRIPTION FROM WASTE FORM:
GENERATOR S WASTE DESCRIPTION:
PRIMARY SOURCE:

TX WASTE CODE (8 character code):
TX WASTE CODE (6 digit code being phased out): 181490
WASTE CODE STATUS: Inactive
WASTE DESCRIPTION FROM WASTE FORM:
GENERATOR S WASTE DESCRIPTION: Scrap Black Film
PRIMARY SOURCE:

TX WASTE CODE (8 character code):
TX WASTE CODE (6 digit code being phased out): 911150
WASTE CODE STATUS: Inactive
WASTE DESCRIPTION FROM WASTE FORM:
GENERATOR S WASTE DESCRIPTION: SRC Laboratories SAF-T-Solv 902-clear, colorless liquid, chlorinated solvent odo
PRIMARY SOURCE:

TX WASTE CODE (8 character code):
TX WASTE CODE (6 digit code being phased out): 990001
WASTE CODE STATUS: Inactive
WASTE DESCRIPTION FROM WASTE FORM:
GENERATOR S WASTE DESCRIPTION: Safety-Kleen 105 parts washing solvent. Combustible liquid, clear, green, with
PRIMARY SOURCE:

TX WASTE CODE (8 character code):
TX WASTE CODE (6 digit code being phased out): 991002
WASTE CODE STATUS: Inactive

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TARGET SITE: MCCARTY LANE
SAN MARCOS TX 78666

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OTHER SITE

SEARCH ID: 5 **DIST/DIR:** 0.04 SE **MAP ID:** 2

NAME:	GULF BUSINESS FORMS	**REV:**	02/10/2005
ADDRESS:	2460 S IH 35	**ID1:**	IHW-66160
	SAN MARCOS TX 78666	**ID2:**	TXD988021309
	HAYS	**STATUS:**	ACTIVE
CONTACT:	RAYMOND KONECNY	**PHONE:**	512-353-8313

WASTE DESCRIPTION FROM WASTE FORM:
GENERATOR S WASTE DESCRIPTION: Safety-Kleen Parts Cleaner 609-liquid, clear, dark Amber, aromatic odor, two lay
PRIMARY SOURCE:

TX WASTE CODE (8 character code):
TX WASTE CODE (6 digit code being phased out): 916600
WASTE CODE STATUS: Inactive
WASTE DESCRIPTION FROM WASTE FORM:
GENERATOR S WASTE DESCRIPTION: Southwest Solvents-GM #1 Plate Developer-clear liquid-medium to strong odor.
PRIMARY SOURCE:

TX WASTE CODE (8 character code):
TX WASTE CODE (6 digit code being phased out): 103280
WASTE CODE STATUS: Inactive
WASTE DESCRIPTION FROM WASTE FORM:
GENERATOR S WASTE DESCRIPTION: Anchor-Sapphira La. - Liquid, mild odor.
PRIMARY SOURCE:

TX WASTE CODE (8 character code):
TX WASTE CODE (6 digit code being phased out): 915250
WASTE CODE STATUS: Inactive
WASTE DESCRIPTION FROM WASTE FORM:
GENERATOR S WASTE DESCRIPTION: Absorbent solid with ink, alcohol, acetone, press wash, oils.
PRIMARY SOURCE:

TX WASTE CODE (8 character code):
TX WASTE CODE (6 digit code being phased out): 108110
WASTE CODE STATUS: Inactive
WASTE DESCRIPTION FROM WASTE FORM:
GENERATOR S WASTE DESCRIPTION: Film Processor wash water (Photographic wash water)
PRIMARY SOURCE:

TX WASTE CODE (8 character code): 0008119H
TX WASTE CODE (6 digit code being phased out):
WASTE CODE STATUS: Inactive
WASTE DESCRIPTION FROM WASTE FORM: Stabilization - type unknown
GENERATOR S WASTE DESCRIPTION: Aliphatic & Aromatic Hydrocarbons - Solvents, water & Ink - Initially gener
PRIMARY SOURCE: Other production or service-related processes

TX WASTE CODE (8 character code): 00061981
TX WASTE CODE (6 digit code being phased out):
WASTE CODE STATUS: Active
WASTE DESCRIPTION FROM WASTE FORM: Non-haz photographic chemical wastes (inorganic)
GENERATOR S WASTE DESCRIPTION: Used silver photographic solution. Reference 0006198H.
PRIMARY SOURCE:

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TARGET SITE: MCCARTY LANE
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OTHER SITE

SEARCH ID: 5 **DIST/DIR:** 0.04 SE **MAP ID:** 2

NAME: GULF BUSINESS FORMS
ADDRESS: 2460 S IH 35
SAN MARCOS TX 78666
HAYS
CONTACT: RAYMOND KONECNY

REV: 02/10/2005
ID1: IHW-66160
ID2: TXD988021309
STATUS: ACTIVE
PHONE: 512-353-8313

TX WASTE CODE (8 character code):
TX WASTE CODE (6 digit code being phased out): 270520
WASTE CODE STATUS: Inactive
WASTE DESCRIPTION FROM WASTE FORM:
GENERATOR S WASTE DESCRIPTION: Aluminum Plate size range up to 17 1/2 X 22 1/2 X .008
PRIMARY SOURCE:

TX WASTE CODE (8 character code):
TX WASTE CODE (6 digit code being phased out): 110450
WASTE CODE STATUS: Inactive
WASTE DESCRIPTION FROM WASTE FORM:
GENERATOR S WASTE DESCRIPTION: waste oil
PRIMARY SOURCE:

TX WASTE CODE (8 character code): 00153191
TX WASTE CODE (6 digit code being phased out):
WASTE CODE STATUS: Active
WASTE DESCRIPTION FROM WASTE FORM: Other waste inorganic solids
GENERATOR S WASTE DESCRIPTION: Black Scrap Film
PRIMARY SOURCE:

TX WASTE CODE (8 character code): 0014204H
TX WASTE CODE (6 digit code being phased out):
WASTE CODE STATUS: Active
WASTE DESCRIPTION FROM WASTE FORM: Halogenated/non-halogenated solvent mixture
GENERATOR S WASTE DESCRIPTION: 909 Cleaner
PRIMARY SOURCE: Cleaning out process equipment

TX WASTE CODE (8 character code): 00133101
TX WASTE CODE (6 digit code being phased out):
WASTE CODE STATUS: Active
WASTE DESCRIPTION FROM WASTE FORM: Spent solid filters or adsorbents (inorganic)
GENERATOR S WASTE DESCRIPTION: absorbent
PRIMARY SOURCE:

TX WASTE CODE (8 character code): 00093101
TX WASTE CODE (6 digit code being phased out):
WASTE CODE STATUS: Active
WASTE DESCRIPTION FROM WASTE FORM: Spent solid filters or adsorbents (inorganic)
GENERATOR S WASTE DESCRIPTION: Used shop towels
PRIMARY SOURCE:

TX WASTE CODE (8 character code): 0017119H

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TARGET SITE: MCCARTY LANE
SAN MARCOS TX 78666

JOB: 44184-0020

OTHER SITE

SEARCH ID: 5 **DIST/DIR:** 0.04 SE **MAP ID:** 2

NAME:	GULF BUSINESS FORMS	**REV:**	02/10/2005
ADDRESS:	2460 S IH 35	**ID1:**	IHW-66160
	SAN MARCOS TX 78666	**ID2:**	TXD988021309
	HAYS	**STATUS:**	ACTIVE
CONTACT:	RAYMOND KONECNY	**PHONE:**	512-353-8313

TX WASTE CODE (6 digit code being phased out):
WASTE CODE STATUS: Active
WASTE DESCRIPTION FROM WASTE FORM: Stabilization - type unknown
GENERATOR S WASTE DESCRIPTION: Reference 0006198H; above new waste code assigned Used Silver Photographic Solut
PRIMARY SOURCE: Product and by-product processing

TX WASTE CODE (8 character code): 00079992
TX WASTE CODE (6 digit code being phased out):
WASTE CODE STATUS: Active
WASTE DESCRIPTION FROM WASTE FORM: Plant Refuse
GENERATOR S WASTE DESCRIPTION: Plant Trash
PRIMARY SOURCE:

TX WASTE CODE (8 character code): 00059032
TX WASTE CODE (6 digit code being phased out):
WASTE CODE STATUS: Inactive
WASTE DESCRIPTION FROM WASTE FORM: Plant Office refuse
GENERATOR S WASTE DESCRIPTION: Paint/office refuse generated by normal office operations. Initial generation d
PRIMARY SOURCE:

TX WASTE CODE (8 character code): 0003310H
TX WASTE CODE (6 digit code being phased out):
WASTE CODE STATUS: Inactive
WASTE DESCRIPTION FROM WASTE FORM: Spent solid filters or adsorbents (inorganic)
GENERATOR S WASTE DESCRIPTION: Corn-cobb absorbent contaminated with oils. Process-collection of oils fro
PRIMARY SOURCE: Other production or service-related processes

TX WASTE CODE (8 character code): 0002203H
TX WASTE CODE (6 digit code being phased out):
WASTE CODE STATUS: Active
WASTE DESCRIPTION FROM WASTE FORM: Non-halogenated solvent
GENERATOR S WASTE DESCRIPTION: Waste petroleum naphtha contaminated with TRACE amounts of chlorinated solv
PRIMARY SOURCE: Other production or service-related processes

TX WASTE CODE (8 character code): 00111191
TX WASTE CODE (6 digit code being phased out):
WASTE CODE STATUS: Active
WASTE DESCRIPTION FROM WASTE FORM: Stabilization - type unknown
GENERATOR S WASTE DESCRIPTION: Ink residue mixed with water. Change in waste code effec. with pickup 4-30-99.
PRIMARY SOURCE:

TX WASTE CODE (8 character code): 0001202H
TX WASTE CODE (6 digit code being phased out):
WASTE CODE STATUS: Inactive
WASTE DESCRIPTION FROM WASTE FORM: Halogenated (e.g., chlorinated) solvent

- Continued on next page -

TARGET SITE: MCCARTY LANE
SAN MARCOS TX 78666

JOB: 44184-0020

OTHER SITE

SEARCH ID: 5 **DIST/DIR:** 0.04 SE **MAP ID:** 2

NAME: GULF BUSINESS FORMS
ADDRESS: 2460 S IH 35
SAN MARCOS TX 78666
HAYS
CONTACT: RAYMOND KONECNY

REV: 02/10/2005
ID1: IHW-66160
ID2: TXD988021309
STATUS: ACTIVE
PHONE: 512-353-8313

GENERATOR S WASTE DESCRIPTION: Contaminated with small amounts of water generated from a plate preparation proc
PRIMARY SOURCE: Product and by-product processing

TX WASTE CODE (8 character code):
TX WASTE CODE (6 digit code being phased out): 280240
WASTE CODE STATUS: Inactive
WASTE DESCRIPTION FROM WASTE FORM:
GENERATOR S WASTE DESCRIPTION: spoiled or unused paper
PRIMARY SOURCE:

TX WASTE CODE (8 character code):
TX WASTE CODE (6 digit code being phased out): 279760
WASTE CODE STATUS: Inactive
WASTE DESCRIPTION FROM WASTE FORM:
GENERATOR S WASTE DESCRIPTION: General Plant Refuse
PRIMARY SOURCE:

TX WASTE CODE (8 character code):
TX WASTE CODE (6 digit code being phased out): 100570
WASTE CODE STATUS: Inactive
WASTE DESCRIPTION FROM WASTE FORM:
GENERATOR S WASTE DESCRIPTION: Anchor-Anti-Piling Agent (A.P.A.) Blue in color, liquid mild odor, 100% water so
PRIMARY SOURCE:

TX WASTE CODE (8 character code):
TX WASTE CODE (6 digit code being phased out): 915880
WASTE CODE STATUS: Inactive
WASTE DESCRIPTION FROM WASTE FORM:
GENERATOR S WASTE DESCRIPTION: spent 1,1,1 trichloroethane
PRIMARY SOURCE:

TX WASTE CODE (8 character code):
TX WASTE CODE (6 digit code being phased out): 183480
WASTE CODE STATUS: Inactive
WASTE DESCRIPTION FROM WASTE FORM:
GENERATOR S WASTE DESCRIPTION: Solvent contaminated shop towels
PRIMARY SOURCE:

TARGET SITE: MCCARTY LANE
SAN MARCOS TX 78666

JOB: 44184-0020

OTHER SITE

SEARCH ID: 8 **DIST/DIR:** 0.05 SE **MAP ID:** 1

NAME:	T B WOODS	**REV:**	02/10/2005
ADDRESS:	2401 S IH 35	**ID1:**	IHW-69420
	SAN MARCOS TX 78666	**ID2:**	TXD045261369
	HAYS	**STATUS:**	INACTIVE
CONTACT:	ERIC TELFORD	**PHONE:**	512-353-4000

FACILITY INFORMATION:

REGISTRATION NUMBER:	69420
INITIAL NOTIFICATION DATE:	19860307
LAST AMMENDMENT DATE:	20021219
EPA ID:	TXD045261369
TCEQ PERMIT:	Not reported
SITE PRIMARY STD. IND. CODE:	39990 - Manufacturing - Manufacturing Industries, NEC
GENERATOR OF WASTE:	Yes
RECEIVERS OF WASTE:	No
TRANSPORTERS OF WASTE:	No
TRANSFER FACILITY:	No
MEXICAN FACILITY (Maquiladora):	No
TYPE OF GENERATOR:	Not a HW generator/Not reported
INDUSTRIAL WASTE PERMIT NUMBER:	Not reported
MUNICIPAL WASTE PERMIT NUMBER:	Not reported
MAILING ADDRESS:	2000 Clovis Barker
MAILING ADDRESS 2:	
MAILING ADDRESS 3:	San Marcos TX 78666 - 9792
MAILING COUNTRY:	USA
LOCATION DESCRIPTION:	2401 S IH 35, San Marcos, TX

OWNER INFORMATION

COMPANY or INDIVIDUAL S NAME:	T B Woods
CONTACT:	Eric Telford
CONTACT PHONE:	512-353-4000
OWNER MAILING ADDRESS:	440 N 5th Ave
OWNER MAILING ADDRESS 2:	Chambersburg PA 17201-1763
OWNER P. O. BOX:	Not reported
OWNER TELEPHONE:	Not reported
OWNER FAX:	Not reported
OWNER EMAIL:	Not reported
TYPE OF BUSINESS:	Unknown

OPERATOR INFORMATION

COMPANY or INDIVIDUAL S NAME:	T B Woods
OPERATOR MAILING ADDRESS:	440 N 5th Ave
OPERATOR MAILING ADDRESS 2:	Chambersburg PA 17201-1763
OPERATOR TELEPHONE:	
OPERATOR FAX:	
OPERATOR EMAIL:	
TYPE OF BUSINESS:	Unknown**OPERATOR TAX ID:**

WASTE INFORMATION

- Continued on next page -

Environmental FirstSearch
Site Detail Report

TARGET SITE: MCCARTY LANE
SAN MARCOS TX 78666

JOB: 44184-0020

OTHER SITE

SEARCH ID: 8 **DIST/DIR:** 0.05 SE **MAP ID:** 1

NAME:	T B WOODS	**REV:**	02/10/2005
ADDRESS:	2401 S IH 35	**ID1:**	IHW-69420
	SAN MARCOS TX 78666	**ID2:**	TXD045261369
	HAYS	**STATUS:**	INACTIVE
CONTACT:	ERIC TELFORD	**PHONE:**	512-353-4000

TX WASTE CODE (8 character code):
TX WASTE CODE (6 digit code being phased out): 990001
WASTE CODE STATUS: Inactive
WASTE DESCRIPTION FROM WASTE FORM:
GENERATOR S WASTE DESCRIPTION:
PRIMARY SOURCE:

TX WASTE CODE (8 character code): 0501203H
TX WASTE CODE (6 digit code being phased out):
WASTE CODE STATUS: Inactive
WASTE DESCRIPTION FROM WASTE FORM: Non-halogenated solvent
GENERATOR S WASTE DESCRIPTION: SPENT SOLVENT
PRIMARY SOURCE: Other production or service-related processes

TARGET SITE: MCCARTY LANE
SAN MARCOS TX 78666

JOB: 44184-0020

OTHER SITE

SEARCH ID: 7 **DIST/DIR:** 0.11 NE **MAP ID:** 4

NAME:	PARKVIEW METAL PRODUCTS	**REV:**	02/10/2005
ADDRESS:	400 BARNES DR	**ID1:**	IHW-20507
	SAN MARCOS TX 78666	**ID2:**	TXD988043683
	HAYS	**STATUS:**	ACTIVE
CONTACT:	JOHN W BROWN	**PHONE:**	512-754-0200

FACILITY INFORMATION:

REGISTRATION NUMBER:	20507
INITIAL NOTIFICATION DATE:	19921019
LAST AMMENDMENT DATE:	20040816
EPA ID:	TXD988043683
TCEQ PERMIT:	Not reported
SITE PRIMARY STD. IND. CODE:	34690 - Manufacturing - Metal Stampings, NEC
GENERATOR OF WASTE:	Yes
RECEIVERS OF WASTE:	No
TRANSPORTERS OF WASTE:	No
TRANSFER FACILITY:	No
MEXICAN FACILITY (Maquiladora):	No
TYPE OF GENERATOR:	SQG/Industrial
INDUSTRIAL WASTE PERMIT NUMBER:	Not reported
MUNICIPAL WASTE PERMIT NUMBER:	Not reported
MAILING ADDRESS:	400 Barnes Dr
MAILING ADDRESS 2:	
MAILING ADDRESS 3:	San Marcos TX 78666 -
MAILING COUNTRY:	USA
LOCATION DESCRIPTION:	400 Barnes Dr, San Marcos, TX

OWNER INFORMATION

COMPANY or INDIVIDUAL S NAME:	Parkview Metal Products Inc
CONTACT:	John W Brown
CONTACT PHONE:	512-754-0200
OWNER MAILING ADDRESS:	400 Barnes Dr
OWNER MAILING ADDRESS 2:	San Marcos TX 78666-
OWNER P. O. BOX:	Not reported
OWNER TELEPHONE:	512-754-0200
OWNER FAX:	Not reported
OWNER EMAIL:	Not reported
TYPE OF BUSINESS:	Unknown

OPERATOR INFORMATION

COMPANY or INDIVIDUAL S NAME:	Parkview Metal Products Inc
OPERATOR MAILING ADDRESS:	400 Barnes Dr
OPERATOR MAILING ADDRESS 2:	San Marcos TX 78666-
OPERATOR TELEPHONE:	512-754-0200
OPERATOR FAX:	
OPERATOR EMAIL:	
TYPE OF BUSINESS:	Unknown**OPERATOR TAX ID:**

WASTE INFORMATION

- Continued on next page -

TARGET SITE: MCCARTY LANE
SAN MARCOS TX 78666

JOB: 44184-0020

OTHER SITE

SEARCH ID: 7 **DIST/DIR:** 0.11 NE **MAP ID:** 4

NAME: PARKVIEW METAL PRODUCTS
ADDRESS: 400 BARNES DR
SAN MARCOS TX 78666
HAYS
CONTACT: JOHN W BROWN

REV: 02/10/2005
ID1: IHW-20507
ID2: TXD988043683
STATUS: ACTIVE
PHONE: 512-754-0200

TX WASTE CODE (8 character code): 00084891
TX WASTE CODE (6 digit code being phased out):
WASTE CODE STATUS: Active
WASTE DESCRIPTION FROM WASTE FORM: Petroleum contaminated solids
GENERATOR S WASTE DESCRIPTION: Used Oil Filters. Changing Oil filters on Machinery. 1991.
PRIMARY SOURCE:

TX WASTE CODE (8 character code): 0003206H
TX WASTE CODE (6 digit code being phased out):
WASTE CODE STATUS: Active
WASTE DESCRIPTION FROM WASTE FORM: Waste oil
GENERATOR S WASTE DESCRIPTION: Waste Oil Contaminated with Trichloroethylene Servicing Degreaser Still. 1990.
PRIMARY SOURCE: Other production or service-related processes

TX WASTE CODE (8 character code): 00092061
TX WASTE CODE (6 digit code being phased out):
WASTE CODE STATUS: Active
WASTE DESCRIPTION FROM WASTE FORM: Waste oil
GENERATOR S WASTE DESCRIPTION: Used Oil. Changing Oil in Machinery
PRIMARY SOURCE:

TX WASTE CODE (8 character code):
TX WASTE CODE (6 digit code being phased out): 917980
WASTE CODE STATUS: Inactive
WASTE DESCRIPTION FROM WASTE FORM:
GENERATOR S WASTE DESCRIPTION:
PRIMARY SOURCE:

TX WASTE CODE (8 character code):
TX WASTE CODE (6 digit code being phased out): 915890
WASTE CODE STATUS: Inactive
WASTE DESCRIPTION FROM WASTE FORM:
GENERATOR S WASTE DESCRIPTION:
PRIMARY SOURCE:

TX WASTE CODE (8 character code):
TX WASTE CODE (6 digit code being phased out): 906530
WASTE CODE STATUS: Inactive
WASTE DESCRIPTION FROM WASTE FORM:
GENERATOR S WASTE DESCRIPTION:
PRIMARY SOURCE:

TX WASTE CODE (8 character code):
TX WASTE CODE (6 digit code being phased out): 910020
WASTE CODE STATUS: Inactive

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TARGET SITE: MCCARTY LANE
SAN MARCOS TX 78666

JOB: 44184-0020

OTHER SITE

SEARCH ID: 7 **DIST/DIR:** 0.11 NE **MAP ID:** 4

NAME: PARKVIEW METAL PRODUCTS
ADDRESS: 400 BARNES DR
SAN MARCOS TX 78666
HAYS
CONTACT: JOHN W BROWN

REV: 02/10/2005
ID1: IHW-20507
ID2: TXD988043683
STATUS: ACTIVE
PHONE: 512-754-0200

WASTE DESCRIPTION FROM WASTE FORM:
GENERATOR S WASTE DESCRIPTION:
PRIMARY SOURCE:

TX WASTE CODE (8 character code): 0007407H
TX WASTE CODE (6 digit code being phased out):
WASTE CODE STATUS: Active
WASTE DESCRIPTION FROM WASTE FORM: Other halogenated organic solids
GENERATOR S WASTE DESCRIPTION: Trichloroethylene contaminated - servicing degreaser, degreaser bottoms, lint an
PRIMARY SOURCE: Other production or service-related processes

TX WASTE CODE (8 character code): 00029032
TX WASTE CODE (6 digit code being phased out):
WASTE CODE STATUS: Inactive
WASTE DESCRIPTION FROM WASTE FORM: Plant Office refuse
GENERATOR S WASTE DESCRIPTION: Plant Office Refuse. Plant Office House-Keeping. 1990.
PRIMARY SOURCE:

TX WASTE CODE (8 character code): 0004202H
TX WASTE CODE (6 digit code being phased out):
WASTE CODE STATUS: Active
WASTE DESCRIPTION FROM WASTE FORM: Halogenated (e.g., chlorinated) solvent
GENERATOR S WASTE DESCRIPTION: Waste Trichloroethylene Vapor Degreaser Operation and Service 1990.
PRIMARY SOURCE: Other production or service-related processes

TX WASTE CODE (8 character code): 00069022
TX WASTE CODE (6 digit code being phased out):
WASTE CODE STATUS: Active
WASTE DESCRIPTION FROM WASTE FORM: Supplemental plant production refuse
GENERATOR S WASTE DESCRIPTION: Supplemental Plant Production: Incidentally Contaminated Rags, Clothing and Abs
PRIMARY SOURCE:

TX WASTE CODE (8 character code): 0014101H
TX WASTE CODE (6 digit code being phased out):
WASTE CODE STATUS: Active
WASTE DESCRIPTION FROM WASTE FORM: Aqueous waste with low solvents
GENERATOR S WASTE DESCRIPTION: Klenedraw W-4177 cutting fluid. This waste is generated as a spent cutting flui
PRIMARY SOURCE: Other production or service-related processes

TX WASTE CODE (8 character code): 00182031
TX WASTE CODE (6 digit code being phased out):
WASTE CODE STATUS: Active
WASTE DESCRIPTION FROM WASTE FORM: Non-halogenated solvent
GENERATOR S WASTE DESCRIPTION: Spent Safety Kleen parts washer and cleaner.
PRIMARY SOURCE:

- Continued on next page -

TARGET SITE: MCCARTY LANE
SAN MARCOS TX 78666

JOB: 44184-0020

OTHER SITE

SEARCH ID: 7 **DIST/DIR:** 0.11 NE **MAP ID:** 4

NAME: PARKVIEW METAL PRODUCTS
ADDRESS: 400 BARNES DR
SAN MARCOS TX 78666
HAYS
CONTACT: JOHN W BROWN

REV: 02/10/2005
ID1: IHW-20507
ID2: TXD988043683
STATUS: ACTIVE
PHONE: 512-754-0200

TX WASTE CODE (8 character code): 00114891
TX WASTE CODE (6 digit code being phased out):
WASTE CODE STATUS: Active
WASTE DESCRIPTION FROM WASTE FORM: Petroleum contaminated solids
GENERATOR S WASTE DESCRIPTION: Petroleum Contaminated Solids, i.e. Oil Dry, Oil Absorbent Socks. Cleaning any
PRIMARY SOURCE:

TX WASTE CODE (8 character code): 00123072
TX WASTE CODE (6 digit code being phased out):
WASTE CODE STATUS: Active
WASTE DESCRIPTION FROM WASTE FORM: Metal scale, filings, or scrap
GENERATOR S WASTE DESCRIPTION: Scrap Metal (Aluminum, Steel) Production Scrap 1990.
PRIMARY SOURCE:

TX WASTE CODE (8 character code): 0005203H
TX WASTE CODE (6 digit code being phased out):
WASTE CODE STATUS: Active
WASTE DESCRIPTION FROM WASTE FORM: Non-halogenated solvent
GENERATOR S WASTE DESCRIPTION: Spent Safety-Kleen. Parts Washer and Cleaner. 1991.
PRIMARY SOURCE: Dip, flush or spray rinsing

TX WASTE CODE (8 character code): 0020203H
TX WASTE CODE (6 digit code being phased out):
WASTE CODE STATUS: Active
WASTE DESCRIPTION FROM WASTE FORM: Non-halogenated solvent
GENERATOR S WASTE DESCRIPTION: Nonhalogenated solvent one-time shipment. Date of generation 8-1-04.
PRIMARY SOURCE: Discarding off-specification or out-of-date chemicals or products

TX WASTE CODE (8 character code): 00163072
TX WASTE CODE (6 digit code being phased out):
WASTE CODE STATUS: Active
WASTE DESCRIPTION FROM WASTE FORM: Metal scale, filings, or scrap
GENERATOR S WASTE DESCRIPTION: Steel filters. This waste stream is generated in waterfiltration of metal cutt
PRIMARY SOURCE:

TX WASTE CODE (8 character code): 00019012
TX WASTE CODE (6 digit code being phased out):
WASTE CODE STATUS: Inactive
WASTE DESCRIPTION FROM WASTE FORM: Plant production refuse
GENERATOR S WASTE DESCRIPTION: Plant Production Refuse. Plant House - Keeping. 1990.
PRIMARY SOURCE:

TX WASTE CODE (8 character code): 00151192

- Continued on next page -

TARGET SITE: MCCARTY LANE
SAN MARCOS TX 78666

JOB: 44184-0020

OTHER SITE

SEARCH ID: 7 **DIST/DIR:** 0.11 NE **MAP ID:** 4

NAME: PARKVIEW METAL PRODUCTS
ADDRESS: 400 BARNES DR
SAN MARCOS TX 78666
HAYS
CONTACT: JOHN W BROWN

REV: 02/10/2005
ID1: IHW-20507
ID2: TXD988043683
STATUS: ACTIVE
PHONE: 512-754-0200

TX WASTE CODE (6 digit code being phased out):
WASTE CODE STATUS: Active
WASTE DESCRIPTION FROM WASTE FORM: Stabilization - type unknown
GENERATOR S WASTE DESCRIPTION: Other inorganic liquid, Benchmark F-101, Corrosion Inhibitor. This waste stream
PRIMARY SOURCE:

TX WASTE CODE (8 character code): 0017202H
TX WASTE CODE (6 digit code being phased out):
WASTE CODE STATUS: Active
WASTE DESCRIPTION FROM WASTE FORM: Halogenated (e.g., chlorinated) solvent
GENERATOR S WASTE DESCRIPTION: Water with trace amounts of trichloroethylene mixture. This waste stream is gen
PRIMARY SOURCE: Cleaning out process equipment

TX WASTE CODE (8 character code): 0019319H
TX WASTE CODE (6 digit code being phased out):
WASTE CODE STATUS: Active
WASTE DESCRIPTION FROM WASTE FORM: Other waste inorganic solids
GENERATOR S WASTE DESCRIPTION: Spent fluorescent light bulbs and lamps removed from facility during maintenance
PRIMARY SOURCE: Process equipment change-out or discontinuation of equipment

TX WASTE CODE (8 character code): 00103082
TX WASTE CODE (6 digit code being phased out):
WASTE CODE STATUS: Active
WASTE DESCRIPTION FROM WASTE FORM: Empty or crushed metal drums or containers
GENERATOR S WASTE DESCRIPTION: RACA Empty Containers. Container that can not be reused. 1993.
PRIMARY SOURCE:

TX WASTE CODE (8 character code): 00139992
TX WASTE CODE (6 digit code being phased out):
WASTE CODE STATUS: Active
WASTE DESCRIPTION FROM WASTE FORM: Plant Refuse
GENERATOR S WASTE DESCRIPTION: Plant trash/Plant house-keeping/1990
PRIMARY SOURCE:

Environmental FirstSearch
Site Detail Report

TARGET SITE: MCCARTY LANE
SAN MARCOS TX 78666

JOB: 44184-0020

OTHER SITE

SEARCH ID: 6 **DIST/DIR:** 0.11 NE **MAP ID:** 3

NAME: MENSOR
ADDRESS: 201 BARNES ST
SAN MARCOS TX 78666
HAYS
CONTACT: ROBERT EDMISTON

REV: 02/10/2005
ID1: IHW-34636
ID2: TXD049077910
STATUS: ACTIVE
PHONE: 512-396-4200

FACILITY INFORMATION:

REGISTRATION NUMBER:	34636
INITIAL NOTIFICATION DATE:	19841115
LAST AMMENDMENT DATE:	20030203
EPA ID:	TXD049077910
TCEQ PERMIT:	Not reported
SITE PRIMARY STD. IND. CODE:	38230 - Manufacturing - Process Control Instruments
GENERATOR OF WASTE:	Yes
RECEIVERS OF WASTE:	No
TRANSPORTERS OF WASTE:	No
TRANSFER FACILITY:	No
MEXICAN FACILITY (Maquiladora):	No
TYPE OF GENERATOR:	SQG/Not reported
INDUSTRIAL WASTE PERMIT NUMBER:	Not reported
MUNICIPAL WASTE PERMIT NUMBER:	Not reported
MAILING ADDRESS:	201 Barnes St
MAILING ADDRESS 2:	
MAILING ADDRESS 3:	San Marcos TX 78666 - 5994
MAILING COUNTRY:	USA
LOCATION DESCRIPTION:	201 Barnes St, San Marcos, TX

OWNER INFORMATION

COMPANY or INDIVIDUAL S NAME:	Mensor
CONTACT:	Robert Edmiston
CONTACT PHONE:	512-396-4200
OWNER MAILING ADDRESS:	201 Barnes Dr
OWNER MAILING ADDRESS 2:	San Marcos TX 78666-
OWNER P. O. BOX:	Not reported
OWNER TELEPHONE:	512-396-4200
OWNER FAX:	Not reported
OWNER EMAIL:	Not reported
TYPE OF BUSINESS:	Unknown

OPERATOR INFORMATION

COMPANY or INDIVIDUAL S NAME:	Mensor
OPERATOR MAILING ADDRESS:	201 Barnes Dr
OPERATOR MAILING ADDRESS 2:	San Marcos TX 78666-
OPERATOR TELEPHONE:	512-396-4200
OPERATOR FAX:	
OPERATOR EMAIL:	
TYPE OF BUSINESS:	Unknown**OPERATOR TAX ID:**

WASTE INFORMATION

- Continued on next page -

TARGET SITE: MCCARTY LANE
SAN MARCOS TX 78666

JOB: 44184-0020

OTHER SITE

SEARCH ID: 6 **DIST/DIR:** 0.11 NE **MAP ID:** 3

NAME:	MENSOR	**REV:**	02/10/2005
ADDRESS:	201 BARNES ST	**ID1:**	IHW-34636
	SAN MARCOS TX 78666	**ID2:**	TXD049077910
	HAYS	**STATUS:**	ACTIVE
CONTACT:	ROBERT EDMISTON	**PHONE:**	512-396-4200

TX WASTE CODE (8 character code): 9401319H
TX WASTE CODE (6 digit code being phased out):
WASTE CODE STATUS: Active
WASTE DESCRIPTION FROM WASTE FORM: Other waste inorganic solids
GENERATOR S WASTE DESCRIPTION: Mercury contaminated debris, pneumatic valves, machined parts, broken thermomete
PRIMARY SOURCE: Other one-time or intermittent processes

TX WASTE CODE (8 character code): 9501202H
TX WASTE CODE (6 digit code being phased out):
WASTE CODE STATUS: Active
WASTE DESCRIPTION FROM WASTE FORM: Halogenated (e.g., chlorinated) solvent
GENERATOR S WASTE DESCRIPTION: Degreasing machine parts, spot cleaning circuit boards. * Trichloroethylene.
PRIMARY SOURCE: Other production or service-related processes

TX WASTE CODE (8 character code):
TX WASTE CODE (6 digit code being phased out): 915880
WASTE CODE STATUS: Inactive
WASTE DESCRIPTION FROM WASTE FORM:
GENERATOR S WASTE DESCRIPTION:
PRIMARY SOURCE:

TARGET SITE: MCCARTY LANE
SAN MARCOS TX 78666

JOB: 44184-0020

RCRA GENERATOR SITE

SEARCH ID: 2 **DIST/DIR:** 0.04 SE **MAP ID:** 2

NAME: GULF BUSINESS FORMS INC
ADDRESS: 2460 S IH 35
SAN MARCOS TX 78666
HAYS
CONTACT: RAYMOND KONECNY

REV: 2/14/05
ID1: TXD988021309
ID2:
STATUS: SGN
PHONE: 512-353-8313

SITE INFORMATION

CONTACT INFORMATION: RAYMOND KONECNY
PO BOX 1073
SAN MARCOS TX 78666

PHONE: 512-353-8313

CONTACT INFORMATION: DON CLIFTON
2460 S IH-35
SAN MARCOS TX 78666

PHONE: 5123535313

UNIVERSE INFORMATION:

SNC: N - NO
BOYSNC: N - NO
GPRA PERMIT: N - NO
GPRA POSTCLOSURE: N - NO
GPRA CA: N - NO
GPRA CME: N - NO
PERM PROG: -----

SUBJCA NON TSD: N - NO
CA WRKLD: N - NO
GEN STATUS: SQG - SMALL QUANTITY GENERATOR: GENERATES 100 - 1000 KG/MONTH OF HAZARDOUS WASTE

PREM WRKLD: -----
CLOSURE WRKLD: -----
P C WRKLD: -----
SUBJCA: N - NO
SUBJCA TSD 3004: N - NO

NAIC INFORMATION

323116 - MANIFOLD BUSINESS FORMS PRINTING
323116 - MANIFOLD BUSINESS FORMS PRINTING

ENFORCEMENT INFORMATION:

AGENCY: S - STATE **DATE:** 7/13/2000
TYPE: 110 - VERBAL INFORMAL

AGENCY: S - STATE **DATE:** 8/16/2000

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TARGET SITE: MCCARTY LANE
SAN MARCOS TX 78666

JOB: 44184-0020

RCRA GENERATOR SITE

SEARCH ID: 2 **DIST/DIR:** 0.04 SE **MAP ID:** 2

NAME: GULF BUSINESS FORMS INC
ADDRESS: 2460 S IH 35
SAN MARCOS TX 78666
HAYS
CONTACT: RAYMOND KONECNY

REV: 2/14/05
ID1: TXD988021309
ID2:
STATUS: SGN
PHONE: 512-353-8313

TYPE: 120 - WRITTEN INFORMAL

VIOLATION INFORMATION:

VIOLATION NUMBER:	0001	**RESPONSIBLE:**	S - STATE
DETERMINED:	9/22/2000	**DETERMINED BY:**	S - STATE
CITATION:	335.474	**RESOLVED:**	9/22/2000
TYPE:	SWR		
VIOLATION NUMBER:	0002	**RESPONSIBLE:**	S - STATE
DETERMINED:	9/22/2000	**DETERMINED BY:**	S - STATE
CITATION:	335.6(C)	**RESOLVED:**	9/22/2000
TYPE:	SWR		
VIOLATION NUMBER:	0003	**RESPONSIBLE:**	S - STATE
DETERMINED:	9/22/2000	**DETERMINED BY:**	S - STATE
CITATION:	335.69(a)(3)/262.34(a)(3)	**RESOLVED:**	9/22/2000
TYPE:	GMR - GENERATOR MANIFEST REQUIREMENTS		
VIOLATION NUMBER:	0004	**RESPONSIBLE:**	S - STATE
DETERMINED:	9/22/2000	**DETERMINED BY:**	S - STATE
CITATION:	335.431/268.7(A)(8)	**RESOLVED:**	9/22/2000
TYPE:	GLB - GENERATOR LAND BAN REQUIREMENTS		
VIOLATION NUMBER:	0005	**RESPONSIBLE:**	S - STATE
DETERMINED:	7/13/2000	**DETERMINED BY:**	S - STATE
CITATION:	335.474	**RESOLVED:**	7/24/2000
TYPE:	SWR		
VIOLATION NUMBER:	0006	**RESPONSIBLE:**	S - STATE
DETERMINED:	7/13/2000	**DETERMINED BY:**	S - STATE
CITATION:	335.6c	**RESOLVED:**	
TYPE:	SWR		
VIOLATION NUMBER:	0007	**RESPONSIBLE:**	S - STATE
DETERMINED:	7/13/2000	**DETERMINED BY:**	S - STATE
CITATION:	335.431/268.7a8	**RESOLVED:**	
TYPE:	GLB - GENERATOR LAND BAN REQUIREMENTS		
VIOLATION NUMBER:	0008	**RESPONSIBLE:**	S - STATE
DETERMINED:	7/13/2000	**DETERMINED BY:**	S - STATE
CITATION:	335.69a3/262.34a3	**RESOLVED:**	7/24/2000
TYPE:	GMR - GENERATOR MANIFEST REQUIREMENTS		
VIOLATION NUMBER:	0009	**RESPONSIBLE:**	S - STATE
DETERMINED:	7/13/2000	**DETERMINED BY:**	S - STATE
CITATION:	335.69a3/262.34a3	**RESOLVED:**	7/24/2000
TYPE:	GMR - GENERATOR MANIFEST REQUIREMENTS		

HAZARDOUS WASTE INFORMATION:

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Environmental FirstSearch
Site Detail Report

TARGET SITE: MCCARTY LANE
SAN MARCOS TX 78666

JOB: 44184-0020

RCRA GENERATOR SITE

SEARCH ID: 2 **DIST/DIR:** 0.04 SE **MAP ID:** 2

NAME:	GULF BUSINESS FORMS INC	**REV:**	2/14/05
ADDRESS:	2460 S IH 35	**ID1:**	TXD988021309
	SAN MARCOS TX 78666	**ID2:**	
	HAYS	**STATUS:**	SGN
CONTACT:	RAYMOND KONECNY	**PHONE:**	512-353-8313

Tetrachloroethylene
Trichloroethylene
The following spent non-halogenated solvents: toluene, methyl ethyl ketone, carbon disulfide, isobutanol, pyridine, benzene, 2-ethoxyethanol, and 2-nitropropane; all spent solvent mixtures/blends containing, before use, a to
The following spent non-halogenated solvents: cresols, cresylic acid, and nitrobenzene; all spent solvent mixtures/blends containing, before use, a total of ten percent or more (by volume) of one or more of the above non-hal
The following spent halogenated solvents used in degreasing: Tetrachloroethylene, trichlorethylene, methylene chloride, 1,1,1-trichloroethane, carbon tetrachloride and chlorinated fluorocarbons; all spent solvent mixtures/bl
Silver
Lead
Corrosive waste
Chromium
Chlorobenzene
Cadmium
Benzene
1,4-Dichlorobenzene
Ignitable waste
The following spent halogenated solvents: Tetrachloroethylene, methylene chloride, trichloroethylene, 1,1,1-trichloroethane, chlorobenzene, 1,1,2-trichloro-1,2,2-trifluoroethane, ortho-dichlorobenzene, trichlorofluoromethane

TARGET SITE: MCCARTY LANE
SAN MARCOS TX 78666

JOB: 44184-0020

RCRA GENERATOR SITE

SEARCH ID: 1 **DIST/DIR:** 0.05 SE **MAP ID:** 1

NAME:	DANA CORP SAN MARCOS PLANT	**REV:**	2/9/04
ADDRESS:	2401 S I-35	**ID1:**	TXD045261369
	SAN MARCOS TX 78666	**ID2:**	
	HAYS	**STATUS:**	SGN
CONTACT:	ERIC TELFORD	**PHONE:**	5123534000

SITE INFORMATION

UNIVERSE TYPE:

SQG - SMALL QUANTITY GENERATOR: GENERATES 100 - 1000 KG/MONTH OF HAZARDOUS WASTE

SIC INFORMATION:

ENFORCEMENT INFORMATION:

VIOLATION INFORMATION:

TARGET SITE: MCCARTY LANE
SAN MARCOS TX 78666

JOB: 44184-0020

RCRA GENERATOR SITE

SEARCH ID: 3 **DIST/DIR:** 0.11 NE **MAP ID:** 3

NAME: MENSOR
ADDRESS: 201 BARNES ST
SAN MARCOS TX 78666
HAYS
CONTACT: ROBERT EDMISTON

REV: 4/9/05
ID1: TXD049077910
ID2:
STATUS: SGN
PHONE: 512-396-4200

SITE INFORMATION

CONTACT INFORMATION: ROBERT EDMISTON
P.O. BOX 925
SAN MARCOS TX 78667

PHONE: 5123964200

CONTACT INFORMATION: ROBERT EDMISTON
BARNES ST
SAN MARCOS TX 78666

PHONE: 512-396-4200

UNIVERSE INFORMATION:

SNC: N - NO
BOYSNC: N - NO
GPRA PERMIT: N - NO
GPRA POSTCLOSURE: N - NO
GPRA CA: N - NO
GPRA CME: N - NO
PERM PROG: -----

SUBJCA NON TSD: N - NO
CA WRKLD: N - NO
GEN STATUS: SQG - SMALL QUANTITY GENERATOR: GENERATES 100 - 1000 KG/MONTH OF HAZARDOUS WASTE

PREM WRKLD: -----
CLOSURE WRKLD: -----
P C WRKLD: -----
SUBJCA: N - NO
SUBJCA TSD 3004: N - NO

NAIC INFORMATION

334513 - INSTRUMENTS AND RELATED PRODUCTS MANUFACTURING FOR MEASURING, DISPLAYING, AND CONTROLLING INDUSTRIAL PROCESS VARIABLES

ENFORCEMENT INFORMATION:

VIOLATION INFORMATION:

HAZARDOUS WASTE INFORMATION:

- Continued on next page -

TARGET SITE: MCCARTY LANE
SAN MARCOS TX 78666

JOB: 44184-0020

RCRA GENERATOR SITE

SEARCH ID: 3 **DIST/DIR:** 0.11 NE **MAP ID:** 3

NAME:	MENSOR	**REV:**	4/9/05
ADDRESS:	201 BARNES ST	**ID1:**	TXD049077910
	SAN MARCOS TX 78666	**ID2:**	
	HAYS	**STATUS:**	SGN
CONTACT:	ROBERT EDMISTON	**PHONE:**	512-396-4200

Ethane, 1,1,1-trichloro- (OR) Methyl chloroform
Ethene, trichloro- (OR) Trichloroethylene
Mercury

TARGET SITE: MCCARTY LANE
SAN MARCOS TX 78666

JOB: 44184-0020

RCRA GENERATOR SITE

SEARCH ID: 4 **DIST/DIR:** 0.11 NE **MAP ID:** 4

NAME: PARKVIEW METAL PRODUCTS INC
ADDRESS: 400 BARNES DR
SAN MARCOS TX 78666
HAYS
CONTACT: JOHN W BROWN

REV: 4/9/05
ID1: TXD988043683
ID2:
STATUS: SGN
PHONE: 512-754-0200

SITE INFORMATION

CONTACT INFORMATION: JOHN W BROWN
BARNES DR
SAN MARCOS TX 78666

PHONE: 512-754-0200

CONTACT INFORMATION: MICHAEL PERRY
400 BARNES DR
SAN MARCOS TX 786666

PHONE: 5127540200

UNIVERSE INFORMATION:

SNC: N - NO
BOYSNC: N - NO
GPRA PERMIT: N - NO
GPRA POSTCLOSURE: N - NO
GPRA CA: N - NO
GPRA CME: N - NO
PERM PROG: -----

SUBJCA NON TSD: N - NO
CA WRKLD: N - NO
GEN STATUS: SQG - SMALL QUANTITY GENERATOR: GENERATES 100 - 1000 KG/MONTH OF HAZARDOUS WASTE

PREM WRKLD: -----
CLOSURE WRKLD: -----
P C WRKLD: -----
SUBJCA: N - NO
SUBJCA TSD 3004: N - NO

NAIC INFORMATION

332116 - METAL STAMPING

ENFORCEMENT INFORMATION:

AGENCY: S - STATE **DATE:** 2/1/2000
TYPE: 110 - VERBAL INFORMAL

VIOLATION INFORMATION:

- Continued on next page -

TARGET SITE: MCCARTY LANE
SAN MARCOS TX 78666

JOB: 44184-0020

RCRA GENERATOR SITE

SEARCH ID: 4 **DIST/DIR:** 0.11 NE **MAP ID:** 4

NAME:	PARKVIEW METAL PRODUCTS INC	**REV:**	4/9/05
ADDRESS:	400 BARNES DR	**ID1:**	TXD988043683
	SAN MARCOS TX 78666	**ID2:**	
	HAYS	**STATUS:**	SGN
CONTACT:	JOHN W BROWN	**PHONE:**	512-754-0200

VIOLATION NUMBER:	0001	**RESPONSIBLE:**	S - STATE
DETERMINED:	2/1/2000	**DETERMINED BY:**	S - STATE
CITATION:	335.6c		
RESOLVED:	2/14/2000		
TYPE:	SWR		

RESOLVED: 2/1/2000
TYPE: GOR - GENERATOR OTHER REQUIREMENTS

VIOLATION NUMBER:	0002	**RESPONSIBLE:**	S - STATE
DETERMINED:	2/1/2000	**DETERMINED BY:**	S - STATE
CITATION:	335.69f4/262.34d4		

HAZARDOUS WASTE INFORMATION:

Ignitable waste
Chromium
Mercury
The following spent halogenated solvents used in degreasing: Tetrachloroethylene, trichlorethylene, methylene chloride, 1,1,1-trichloroethane, carbon tetrachloride and chlorinated fluorocarbons; all spent solvent mixtures/bl
Trichloroethylene
Lead

TARGET SITE: MCCARTY LANE
SAN MARCOS TX 78666

JOB: 44184-0020

REGISTERED UNDERGROUND STORAGE TANKS

SEARCH ID: 9 **DIST/DIR:** 0.09 SW **MAP ID:** 5

NAME:	CECIL ATKISSION MOTORS SAN MARCOS	**REV:**	2/14/2005
ADDRESS:	2701 S IH 35	**ID1:**	0067041
	SAN MARCOS TX 78666	**ID2:**	
	HAYS	**STATUS:**	
CONTACT:	DAVIS	**PHONE:**	512-392-4300

FACILITY INFORMATION:

NUMBER OF USTS ON SITE:	0001
NUMBER OF ASTS ON SITE:	0000
TNRCC FACILITY ID:	0067041
TNRCC CUSTOMER ID:	53728
FACILITY TYPE:	
FACILITY MANAGER:	Davis
MANAGER PHONE:	512-392-4300

OWNER INFORMATION

TYPE:	Corporation
COMPANY:	CECIL ATKISSION MOTORS SAN MARCOS
ADDRESS:	206 W POLK
	Burnet TX 78611-
PO BOX:	
CONTACT:	JOHN PALERMO
CONTACT PHONE:	512-756-2128
AMENDMENTS:	Owner Name Changed

UST INFORMATION (tank information)

TANK NUMBER:	1
STATUS:	Removed From Ground
STATUS DATE:	08311998
INSTALL DATE:	01011987
REGISTERED DATE:	10111991
CAPACITY:	0000000 Gallons
EXT CONTAINMENT DESIGN:	-
	-
CONSTRUCTION MATERIAL:	Concrete
CORROSION PROTECTION:	-
	- None
CORROSION PROT VARIANCE:	No Variance
STG 1 VAPOR RECOVERY EQUIP STATUS:	Not Reported
STG 1 EQUIP INSTALL DATE:	
STG 2 VAPOR RECOVERY EQUIP STATUS:	
STG 2 EQUIP INSTALL DATE:	
INSTALLER COMPANY:	
INSTALLER NAME:	
INSTALLER LICENSE NUMBER:	
TYPE OF PIPE:	
PIPE MATERIAL:	
PIPE DESIGN EXT CONTAINMENT:	- -
PIPE CONECTORS & VALVES:	- -

- Continued on next page -

TARGET SITE: MCCARTY LANE
SAN MARCOS TX 78666

JOB: 44184-0020

REGISTERED UNDERGROUND STORAGE TANKS

SEARCH ID: 9 **DIST/DIR:** 0.09 SW **MAP ID:** 5

NAME:	CECIL ATKISSION MOTORS SAN MARCOS	**REV:**	2/14/2005
ADDRESS:	2701 S IH 35	**ID1:**	0067041
	SAN MARCOS TX 78666	**ID2:**	
	HAYS	**STATUS:**	
CONTACT:	DAVIS	**PHONE:**	512-392-4300

PIPE CORROSION PROTECTION: -
- None
PIPE CORROSION PROT VARIANCE: No Variance

SUBSTANCE STORED: Unknown
TANK RLSE DETECTION METHODS: - - -
TANK RLSE DETECTION VARIANCE: No Variance
PIPE RLSE DETECTION METHODS: - - -
PIPE RLSE VARIANCE: No Variance
SPILL/OVERFILL PREVENTION: - -
SPILL/OVERFILL VARIANCE: No Variance

AST INFORMATION

Environmental FirstSearch
Federal Database Descriptions

ASTM Databases:

CERCLIS: ***Comprehensive Environmental Response Compensation and Liability Information System.*** The EPA's database of current and potential Superfund sites currently or previously under investigation. Source: Environmental Protection Agency.

Updated quarterly.

CERCLIS-NFRAP (Archive): ***Comprehensive Environmental Response Compensation and Liability Information System Archived Sites.*** The Archive designation means that, to the best of EPA's knowledge, assessment at a site has been completed and that EPA has determined no further steps will be taken to list this site on the National Priorities List (NPL). This decision does not necessarily mean that there is no hazard associated with a given site; it only means that, based upon available information, the location is not judged to be a potential NPL site.

Updated quarterly.

ERNS: ***Emergency Response Notification System.*** The EPA's database of emergency response actions. Source: Environmental Protection Agency. Data since January, 2001, has been received from the National Response Center as the EPA no longer maintains this data.

Updated quarterly.

FINDS: ***The Facility Index System.*** The EPA's Index of identification numbers associated with a property or facility which the EPA has investigated or has been made aware of in conjunction with various regulatory programs. Each record indicates the EPA office that may have files on the site or facility. Source: Environmental Protection Agency.

Updated semi-annually.

NPL: ***National Priority List.*** The EPA's list of confirmed or proposed Superfund sites. Source: Environmental Protection Agency.

Updated quarterly.

RCRIS: ***Resource Conservation and Recovery Information System.*** The EPA's database of registered hazardous waste generators and treatment, storage and disposal facilities. Included are RAATS (RCRA Administrative Action Tracking System) and CMEL (Compliance Monitoring & Enforcement List). Source: Environmental Protection Agency.

RCRA TSD: ***Resource Conservation and Recovery Information System Treatment, Storage, and Disposal Facilities.*** The EPA's database of RCRIS sites which treat, store, dispose, or incinerate hazardous waste. This information is also reported in the standard RCRIS detailed data.

ASTM Database Descriptions (continued):

RCRA COR: ***Resource Conservation and Recovery Information System Corrective Action Sites.*** The EPA's database of RCRIS sites with reported corrective action. This information is also reported in the standard RCRIS detailed data.

RCRA GEN: ***Resource Conservation and Recovery Information System Large, Small, and Very Small Quantity Generators.*** The EPA's database of RCRIS sites that create hazardous waste or meet other RCRA requirements. Included are RAATS (RCRA Administrative Action Tracking System) and CMEL (Compliance Monitoring & Enforcement List).

RCRA NLR: ***Resource Conservation and Recovery Information System sites No Longer Regulated.*** FirstSearch□s proprietary database of Resource Conservation and Recovery Information System□s that the EPA cannot categorize.

All RCRA databases are Updated quarterly

Environmental FirstSearch
Federal Database Descriptions

Non-ASTM Databases:

HMIRS: ***Hazardous Materials Incident Response System.*** This database contains information from the US Department of Transportation regarding materials, packaging, and a description of events for tracked incidents.

Updated quarterly.

NCDB: ***National Compliance Database.*** The National Compliance Data Base System (NCDB) tracks regional compliance and enforcement activity and manages the Pesticides and Toxic Substances Compliance and Enforcement program at a national level. The system tracks all compliance monitoring and enforcement activities from the time an inspector conducts and inspection until the time the inspector closes or the case settles the enforcement action. NCDB is the national repository of the 10 regional and Headquarters FIFRA/TSCA Tracking System (FTTS). Data collected in the regional FTTS is transferred to NCDB to support the need for monitoring national performance of regional programs.

Updated quarterly

NPDES: ***National Pollution Discharge Elimination System.*** The EPA's database of all permitted facilities receiving and discharging effluents. Source: Environmental Protection Agency.

Updated semi-annually.

NRDB: ***National Radon Database.*** The NRDB was created by the EPA to distribute information regarding the EPA/State Residential Radon Surveys and the National Residential Radon Survey. The data is presented by zipcode in Environmental FirstSearch Reports. Source: National Technical Information Service (NTIS)

Updated Periodically

Nuclear: The Nuclear Regulatory Commission□s (NRC) list of permitted nuclear facilities.

Updated Periodically

PADS: PCB Activity Database System
The EPA's database PCB handlers (generators, transporters, storers and/or disposers) that are required to notify the EPA, the rules being similar to RCRA. This database indicates the type of handler and registration number. Also included is the PCB Transformer Registration Database.

Updated semi-annually.

Receptors: 1995 TIGER census listing of schools and hospitals that may house individuals deemed sensitive to environmental discharges due to their fragile immune systems.

Updated Periodically

Non-ASTM Database Descriptions (continued):

RELEASES: ***Air and Surface Water Releases.*** A subset of the EPA's ERNS database which have impacted only air or surface water.

Updated semi-annually.

Soils: This database includes the State Soil Geographic (STATSGO) data for the conterminous United States from the United States Geographical Survey (USGS).. It contains information regarding soil characteristics such as water capacity, percent clay, organic material, permeability, thickness of layers, hydrological characteristics, quality of drainage, surface, slope, liquid limit, and the annual frequency of flooding. National Resources Conservation Services Soil Survey Geographic(SSURGO) database, and the USGS Digital Data Series bedrock data.

Updated annually

TRIS: ***Toxic Release Inventory System.*** The EPA's database of all facilities that have had or may be prone to toxic material releases. Source: Environmental Protection Agency.

Updated semi-annually.

Federal Wells: The United State Geographic Survey(USGS) Groundwater Inventory Sites

Updated annually

Environmental FirstSearch
Texas Database Descriptions

1. **LANDFILLS**: The Texas Commission on Environmental Quality's (TCEQ) listing of all permitted solid waste landfills, transfer stations, and incinerators as maintained by Office of Office of Permitting, Remediation and Registration, Waste Permits Division, Municipal Solid Waste Permits Section.

Updated Yearly

2. **LUST**: Leaking Underground Storage Tanks. The Texas Commission on Environmental Quality's (TCEQ) listing of all leaking underground petroleum storage tanks as maintained by the Office of Office of Permitting, Remediation and Registration, Remediation Division, Petroleum Storage Tank Program.

Updated Quarterly

3. **STATE SITES**: Currently includes sites from three programs of The Texas Commission on Environmental Quality's (TCEQ) Office of Permitting, Remediation and Registration, Remediation Division. The State Superfund Registry listing is maintained by the Superfund Site Discovery and Assessment Program. Also included are all sites in the Voluntary Cleanup Program (VCP) and the Innocent Owner/Operator Program (IOP).

The Texas VCP provides administrative, technical, and legal incentives to encourage the cleanup of contaminated sites in Texas. Since all non-responsible parties, including future lenders and landowners, receive protection from liability to the state of Texas for cleanup of sites under the VCP, most of the constraints for completing real estate transactions at those sites are eliminated. As a result, many unused or under used properties may be restored to economically productive or community beneficial use. Also under the VCP, site cleanups follow a streamlined approach to reduce future human and environmental risk to safe levels. Any site not subject to response actions under Railroad Commission of Texas authority or an order or permit from the TCEQ or where TCEQ enforcement action is pending, is eligible to enter the voluntary cleanup program.

The Texas IOP created by House Bill 2776 of the 75th Legislature, provides a certificate to an innocent owner or operator if their property is contaminated as a result of a release or migration of contaminants from a source or sources not located on the property, and they did not cause or contribute to the source or sources of contamination. Like the Texas Voluntary Cleanup Program (VCP), the IOP can be used as a redevelopment tool or as a tool to add value to a contaminated property by providing an Innocent Owner/Operator Certificate (IOC). However, unlike the VCP release of liability, IOCs are not transferable to future owners/operators. Future innocent owners or operators are eligible to enter the IOP and may receive an IOC only after they become an owner or operator of the site.

Updated Quarterly

4. **UST**: The Texas Commission on Environmental Quality's (TCEQ) Petroleum Storage Tank Registration File as maintained by the Office of Permitting, Remediation and Registration, Remediation Division, Petroleum Storage Tank Program. This database includes above ground storage tanks.

Updated Quarterly

5. **STATE WELLS**: Public Water Supply Sources. The Texas Commission on Environmental Quality's (TCEQ) database of public drinking water well and surface water intake sites in the state of Texas. The locations for these data were obtained from the Office of Permitting, Remediation and Registration, Water Supply Division as recorded from several sources.

6. **OTHER** : Texas Industrial Hazardous Waste Notice of Registration (IHW NOR) data. The TCEQ enters all information submitted by industrial and hazardous waste transporters, receivers (including recyclers), generators and one time shipments into a database that tracks industrial and hazardous waste generation and management activities in the state of Texas. All facilities of these types receive a solid waste registration number. This number is sometimes referred to as a "registration number" or "state I.D. number." Unlike a company, a solid waste registration number does not move. It is permanently associated with a physical location and one specific street address.

Updated Quarterly

Texas Department of Agriculture (TDA)
Texas Water Development Board (TWDB)
Texas Commission on Environmental Quality (TCEQ), or predecessor agencies.
Well Driller
Engineering/Environmental Firm
U.S. Geological Survey (USGS)
Texas Dept. of Health (TDH)
Texas General Land Office
North Central Texas Council of Governments
Owner of the water source
Texas Department of Parks and Wildlife
Railroad Commission of Texas (RRC)
Texas Department of Transportation
Bureau of Econimic Geology, The University of Texas at Austin
Unknown
Underground Water Conservation District
Other Sources

Environmental FirstSearch
Federal Database Sources

CERCLIS: The EPA□s Comprehensive Environmental Response Compensation and Liability Information System database. Updated quarterly

CERCLIS NFRAP: The EPA□s Comprehensive Environmental Response Compensation and Liability Information System archived sites. Updated quarterly

ERNS: The EPA□s Emergency Response Notification System. Updated quarterly

FED OTHER: The EPA□s Section Seven Tracking System. Updated Quarterly

FINDS: The EPA□s Facility Index System. Updated as new data becomes available

HMIRS: The EPA□s hazardous Materials Incident Response System
Updated quarterly

NCDB: The EPA□s National Compliance Database. Updated quarterly

NPDES: The EPA□s National Pollution Discharge Elimination System
Updated quarterly

NPL: The EPA□s list of confirmed or proposed Superfund Sites
Updated quarterly

NRDB: The National Technical Information Service□s National Radon Database
Updated as new data becomes available

NUCLEAR: The Nuclear Regulatory Commission□s list of permitted nuclear facilities. Updated periodically

PADS: The EPA□s PCB handlers database. Updated quarterly

RCRA COR: The EPA□s Resource Conservation and Recovery Information System□s Corrective Action Sites. Updated quarterly

RCRA GEN: The EPA□s Resource Conservation and Recovery Information System□s Generators and Transporters. Updated quarterly

RCRA NLR: FirstSearch□s proprietary database of Resource Conservation and Recovery Information System□s that the EPA cannot categorize. Updated quarterly

RCRA TSD: The EPA□s Resource Conservation and Recovery Information System□s Treatment, Storage, and Disposal facilities. Updated quarterly

RECEPTORS: The 2002 Census listing of schools and hospitals
Updated as new data becomes available

RELEASES: The EPA□s ERNS air and surface water releases. Updated quarterly

TRIS: The EPA□s Toxic Release Inventory System. Updated quarterly

Environmental FirstSearch
Street Name Report for Streets within 1 Mile(s) of Target Property

TARGET SITE: MCCARTY LANE
SAN MARCOS TX 78666

JOB: 44184-0020

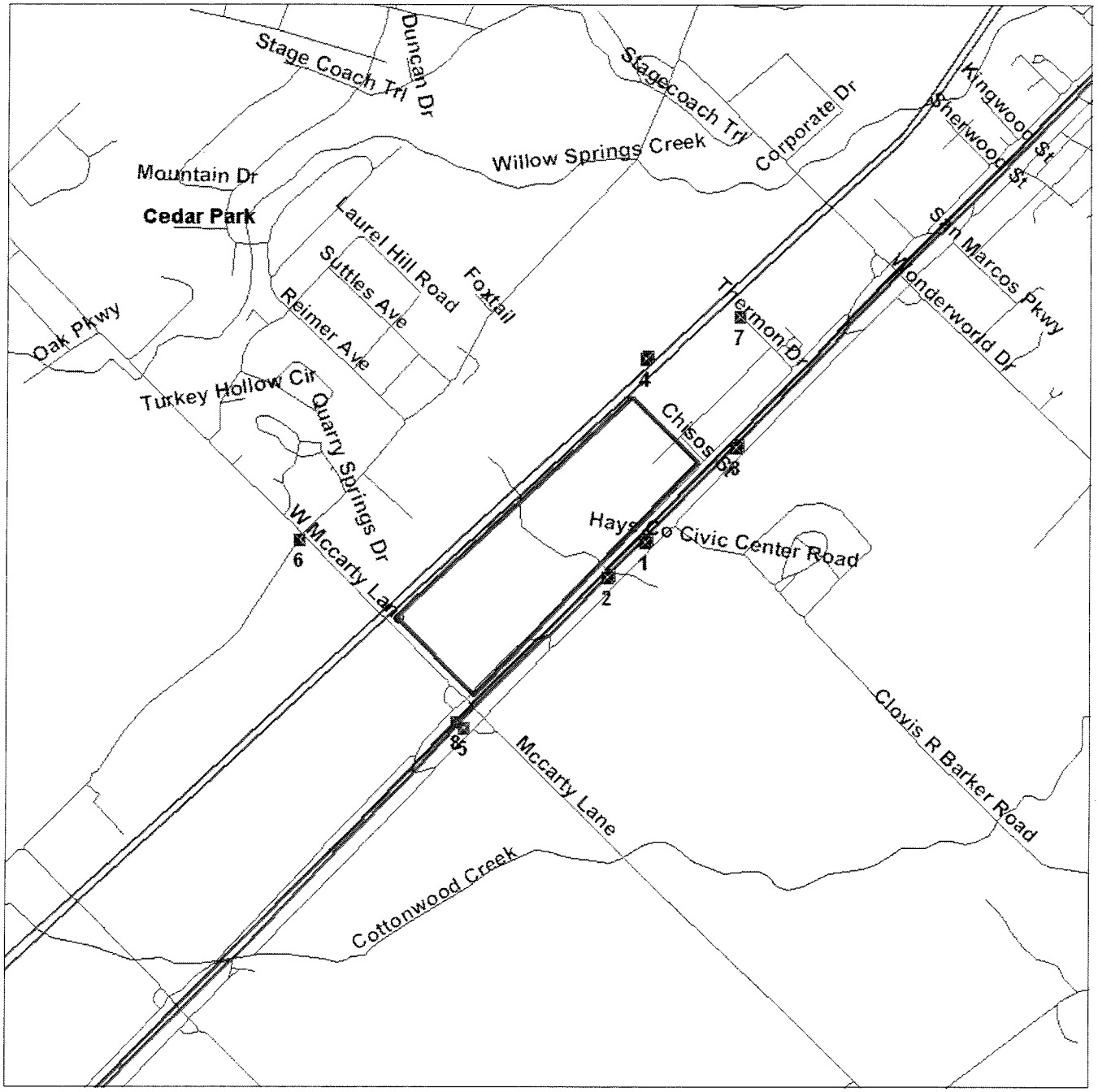
Street Name	Dist/Dir	Street Name	Dist/Dir
Barnes Dr	0.00 --		
Chisos St	0.01 NE		
Civic Center Cir	0.27 SE		
Clovis R Barker Rd	0.27 SE		
Corporate Dr	0.77 NE		
Corrie Ct	0.99 NW		
Dees St	0.47 NW		
Dutton Dr	0.84 NE		
Foxtail Run	0.43 NW		
Frontage Rd	0.01 SE		
Hays Co Civic Center	0.08 SE		
Hopkins St	0.93 NE		
Howard Pl	0.93 NW		
Hunter Rd	0.34 NW		
I- 35 Access Rd	1.00 NE		
I-35	0.02 SE		
James St	0.58 NW		
Laurel Hill Rd	0.60 NW		
Leah Ave	0.81 NE		
Longcope Loop	0.69 NW		
McCarty Ln	0.02 SW		
Medical Pky	0.86 NE		
Peter Garza St	0.92 NE		
Philo St	0.70 NW		
Reimer Ave	0.38 NW		
Rolling Oaks	0.99 NW		
San Marcos Pky	0.92 NE		
Stage Coach Trl	0.84 NE		
Suttles Ave	0.37 NW		
Texas Ave	0.85 NE		
Thermon Dr	0.36 NE		
Turkey Hollow Cir	0.72 NW		
Willow Creek Cir	0.91 NW		
Wonderworld Dr	0.75 NE		

Environmental FirstSearch

1 Mile Radius from Area

Single Map:

MCCARTY LANE, SAN MARCOS TX 78666



Source: 2002 U.S. Census TIGER Files

Area Polygon .....

Identified Site, Multiple Sites, Receptor .....

NPL, Brownfield, Solid Waste Landfill (SWL) or Hazardous Waste .....

Railroads .....

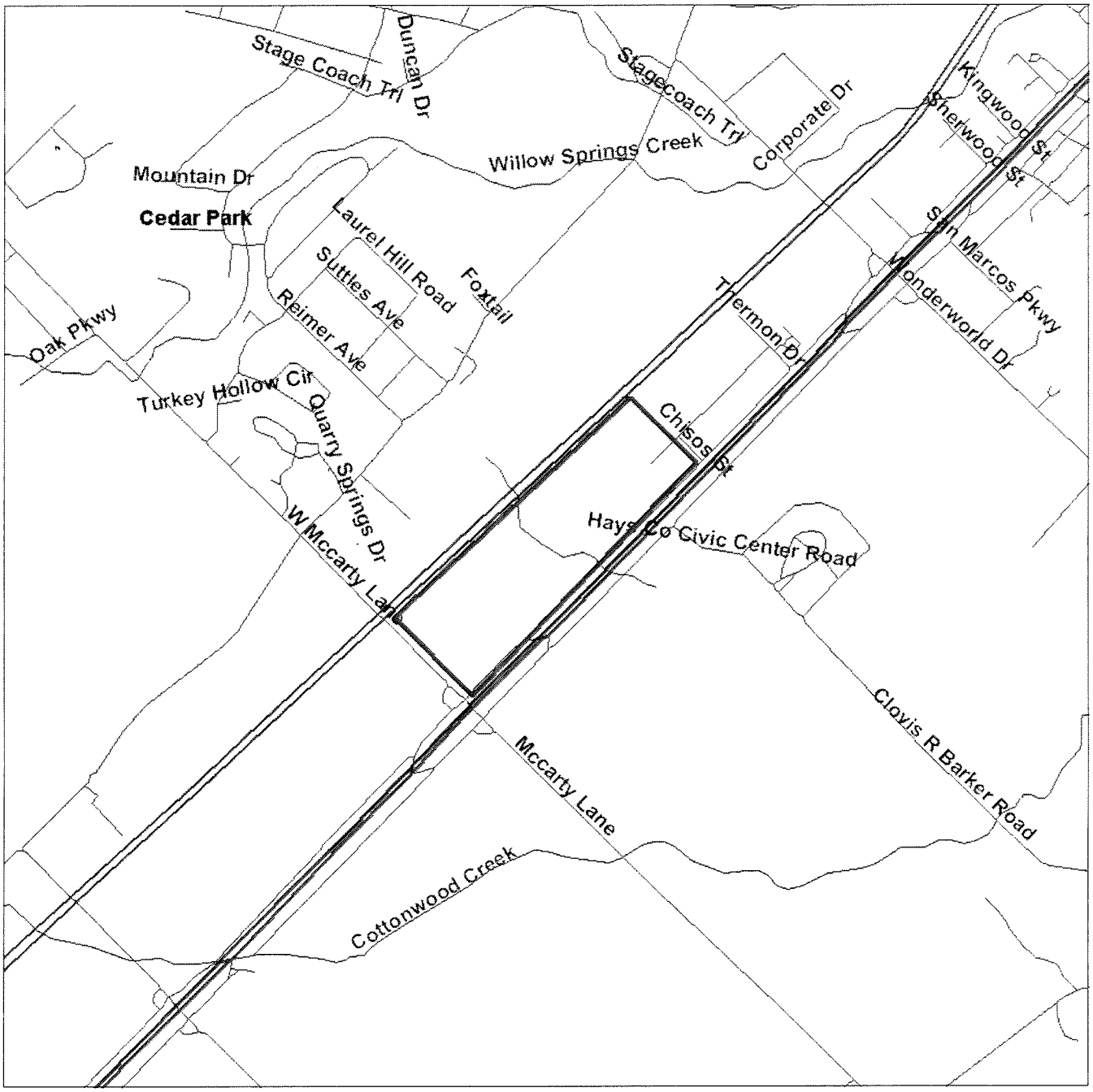
Black Rings Represent 1/4 Mile Radii; Red Ring Represents 500 ft. Radius

Environmental FirstSearch

1 Mile Radius from Area

ASTM Map: NPL, RCRACOR, STATE Sites

MCCARTY LANE, SAN MARCOS TX 78666



Source: 2002 U.S. Census TIGER Files

Area Polygon .....

Identified Site, Multiple Sites, Receptor .....

NPL, Brownfield, Solid Waste Landfill (SWL) or Hazardous Waste .....

Railroads .....

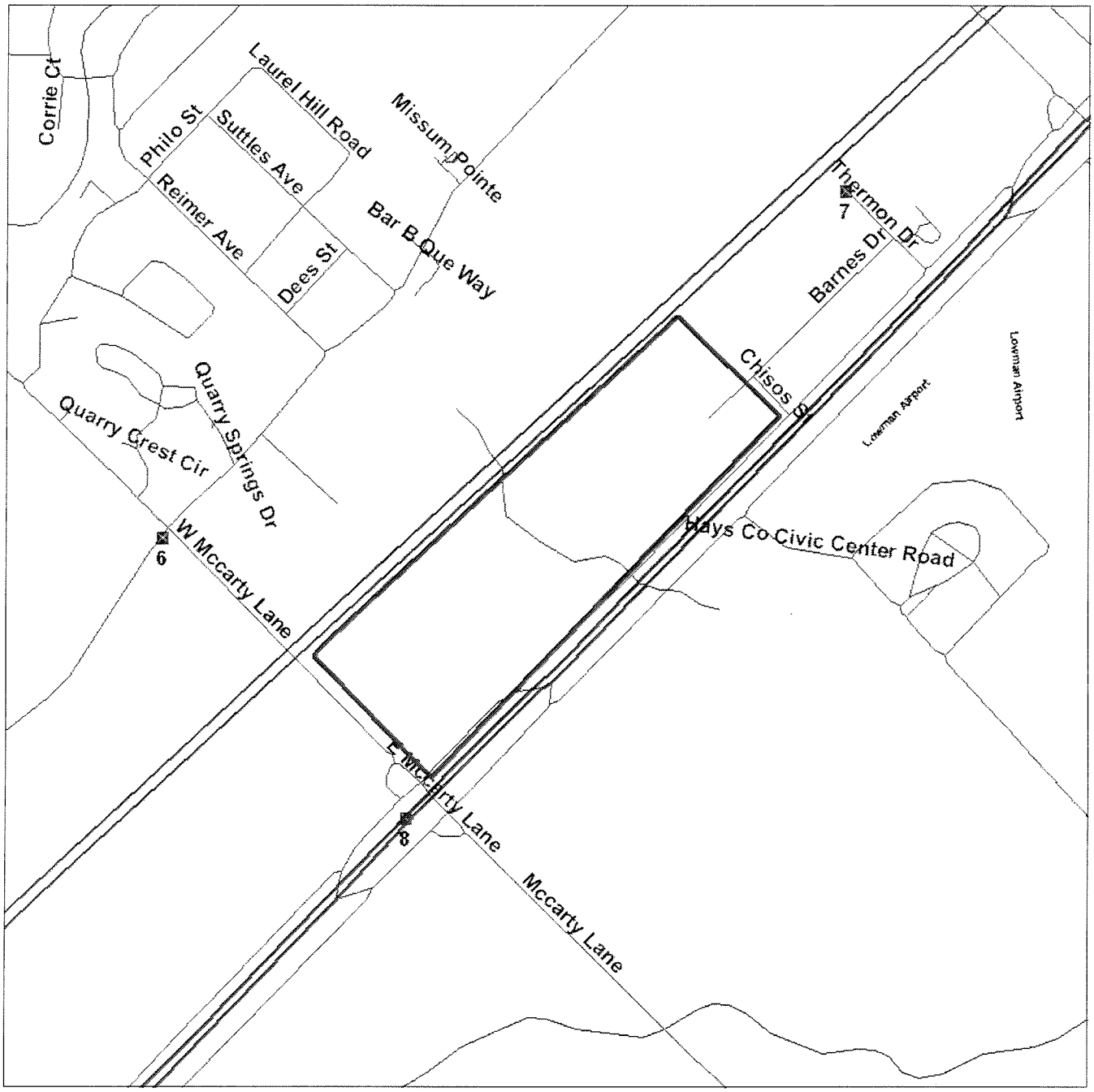
Black Rings Represent 1/4 Mile Radii; Red Ring Represents 500 ft. Radius

Environmental FirstSearch

.5 Mile Radius from Area

ASTM Map: CERCLIS, RCRATSD, LUST, SWL

MCCARTY LANE, SAN MARCOS TX 78666



Source: 2002 U.S. Census TIGER Files

Area Polygon .....

Identified Site, Multiple Sites, Receptor .....

NPL, Brownfield, Solid Waste Landfill (SWL) or Hazardous Waste .....

Railroads .....

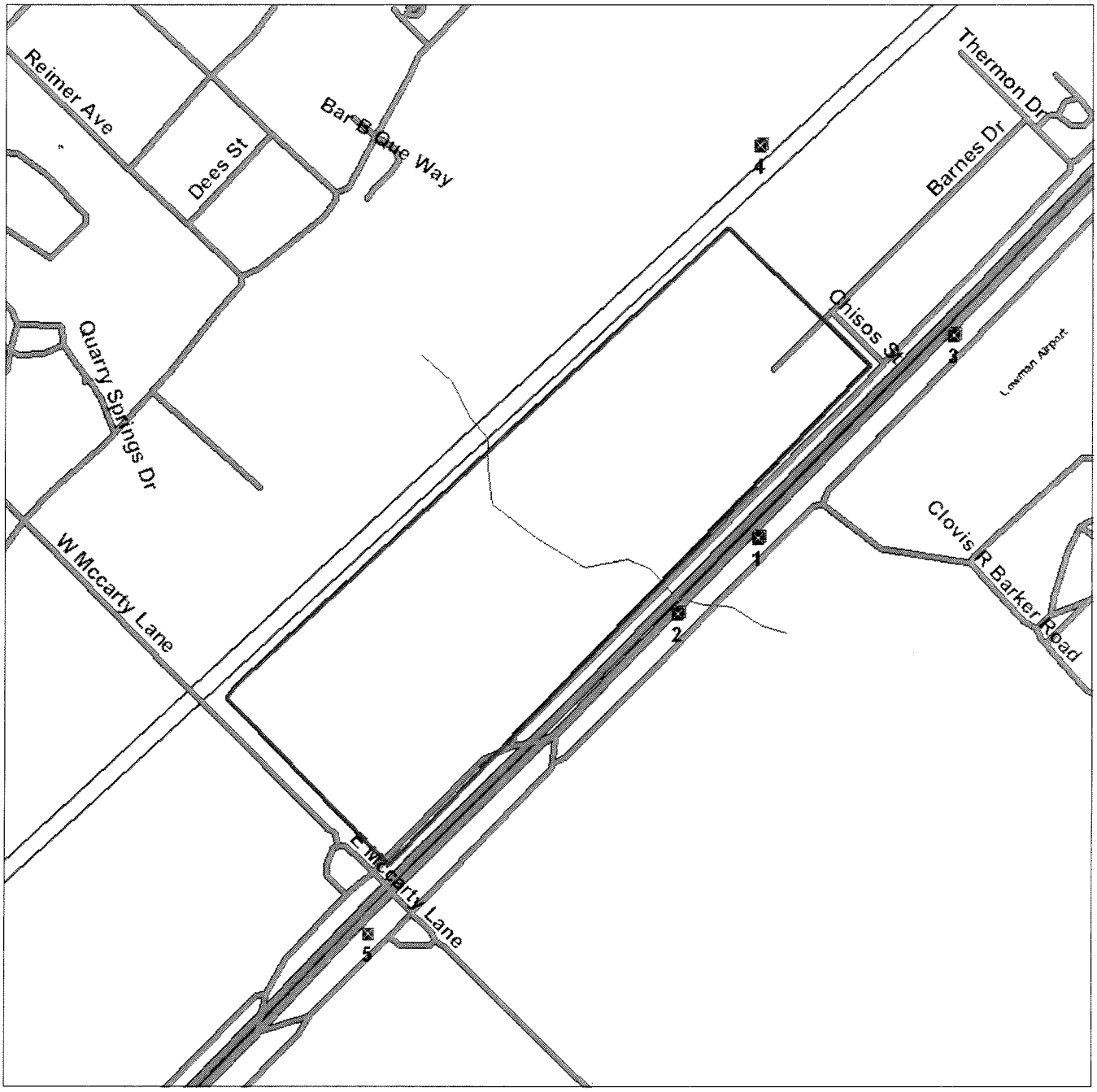
Black Rings Represent 1/4 Mile Radii; Red Ring Represents 500 ft. Radius

Environmental FirstSearch

.25 Mile Radius from Area

ASTM Map: RCRAGEN, ERNS, UST

MCCARTY LANE, SAN MARCOS TX 78666



Source: 2002 U.S. Census TIGER Files

Area Polygon .....

Identified Site, Multiple Sites, Receptor .....

NPL, Brownfield, Solid Waste Landfill (SWL) or Hazardous Waste .....

Railroads .....

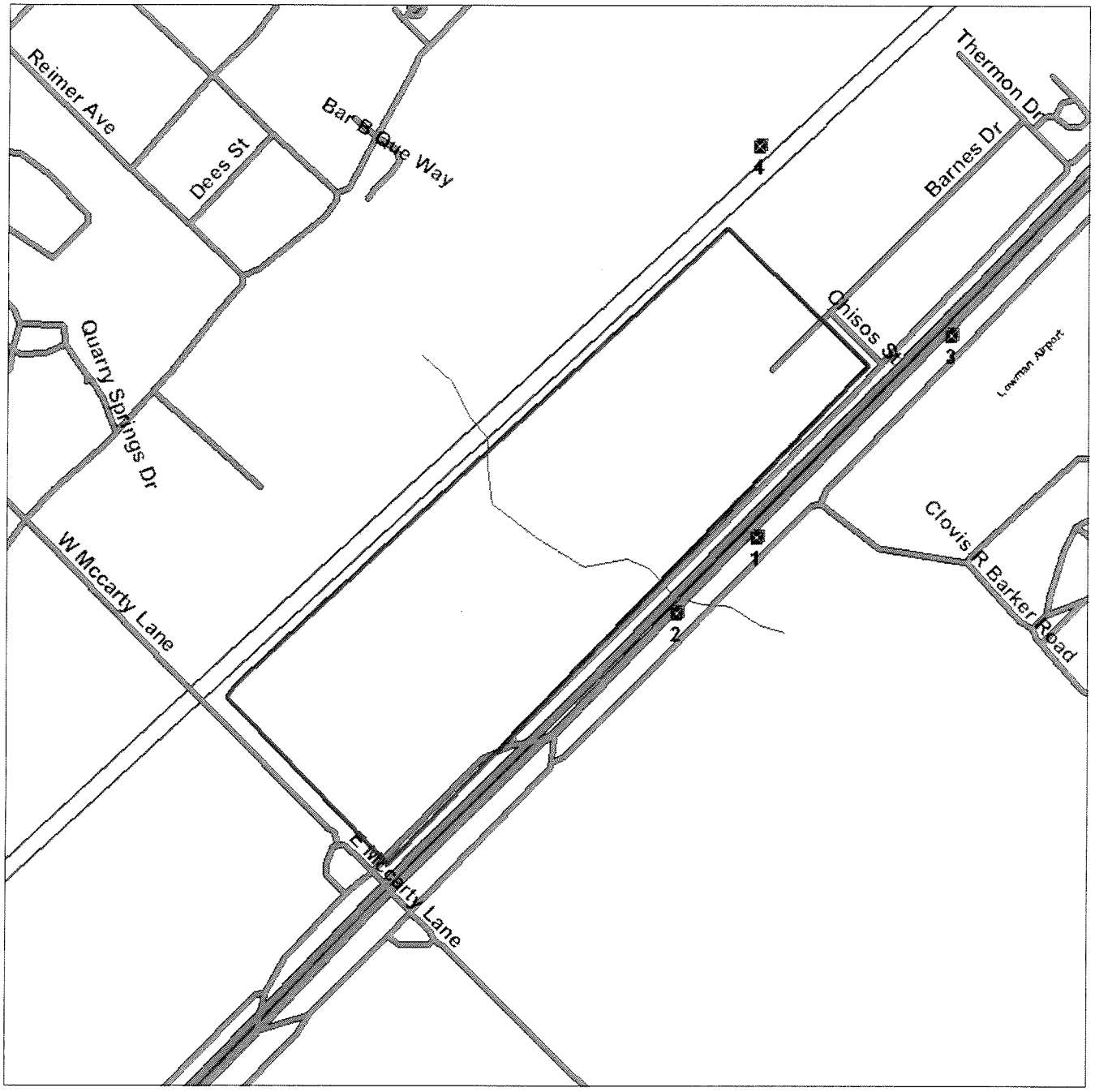
Black Rings Represent 1/4 Mile Radii; Red Ring Represents 500 ft. Radius

Environmental FirstSearch

.25 Mile Radius from Area

Non-ASTM Map: Other

MCCARTY LANE, SAN MARCOS TX 78666



Source: 2002 U.S. Census TIGER Files

Area Polygon .....

Identified Site, Multiple Sites, Receptor .....

NPL, Brownfield, Solid Waste Landfill (SWL) or Hazardous Waste .....

National Historic Sites and Landmark Sites .....

Soil Sites .....

Railroads .....

Black Rings Represent 1/4 Mile Radii; Red Ring Represents 500 ft. Radius

APPENDIX 6

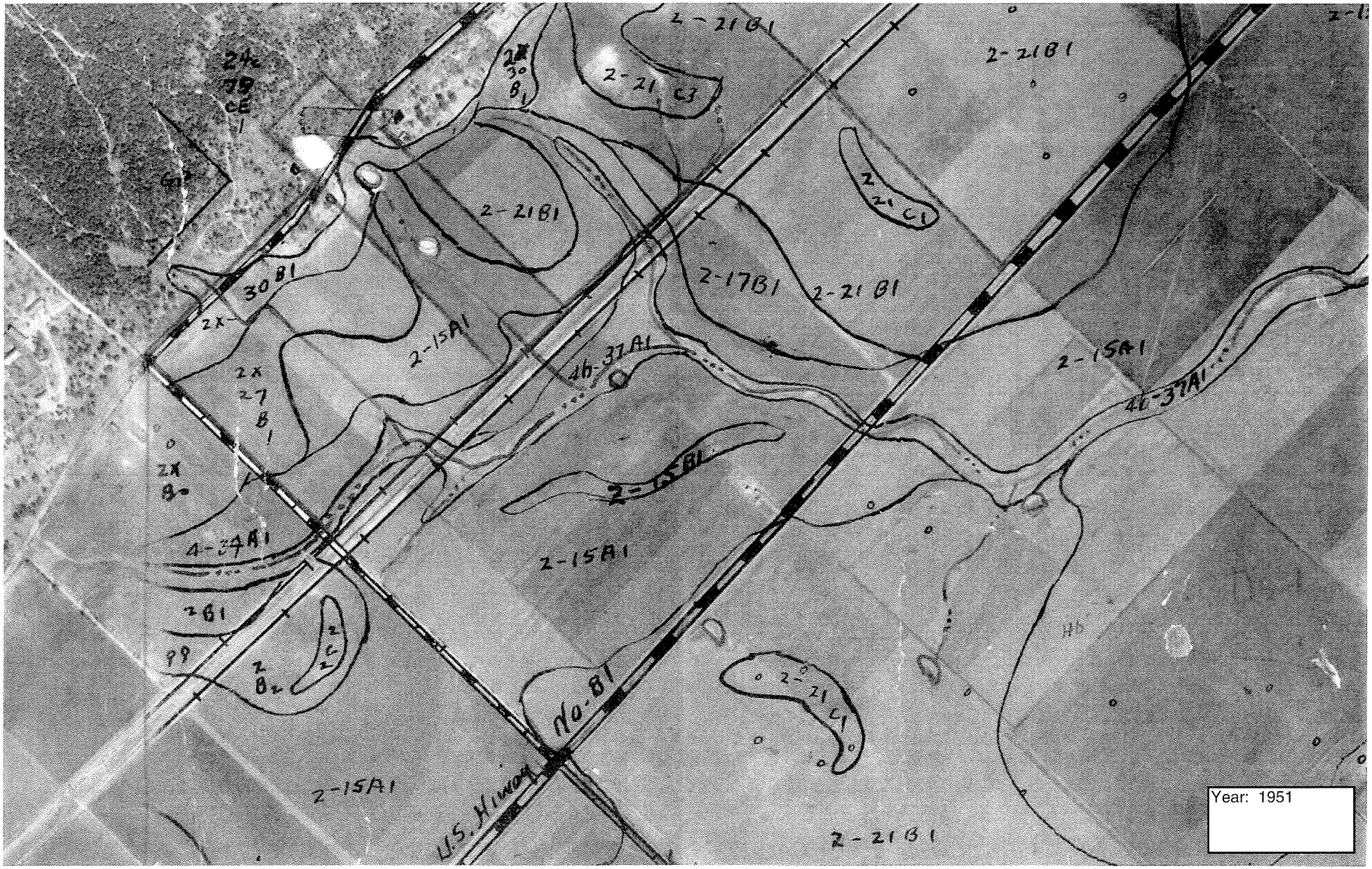
HISTORICAL AERIAL PHOTOGRAPHS

Year: 2004

Year: 1995

Year: 1980

Year: 1951

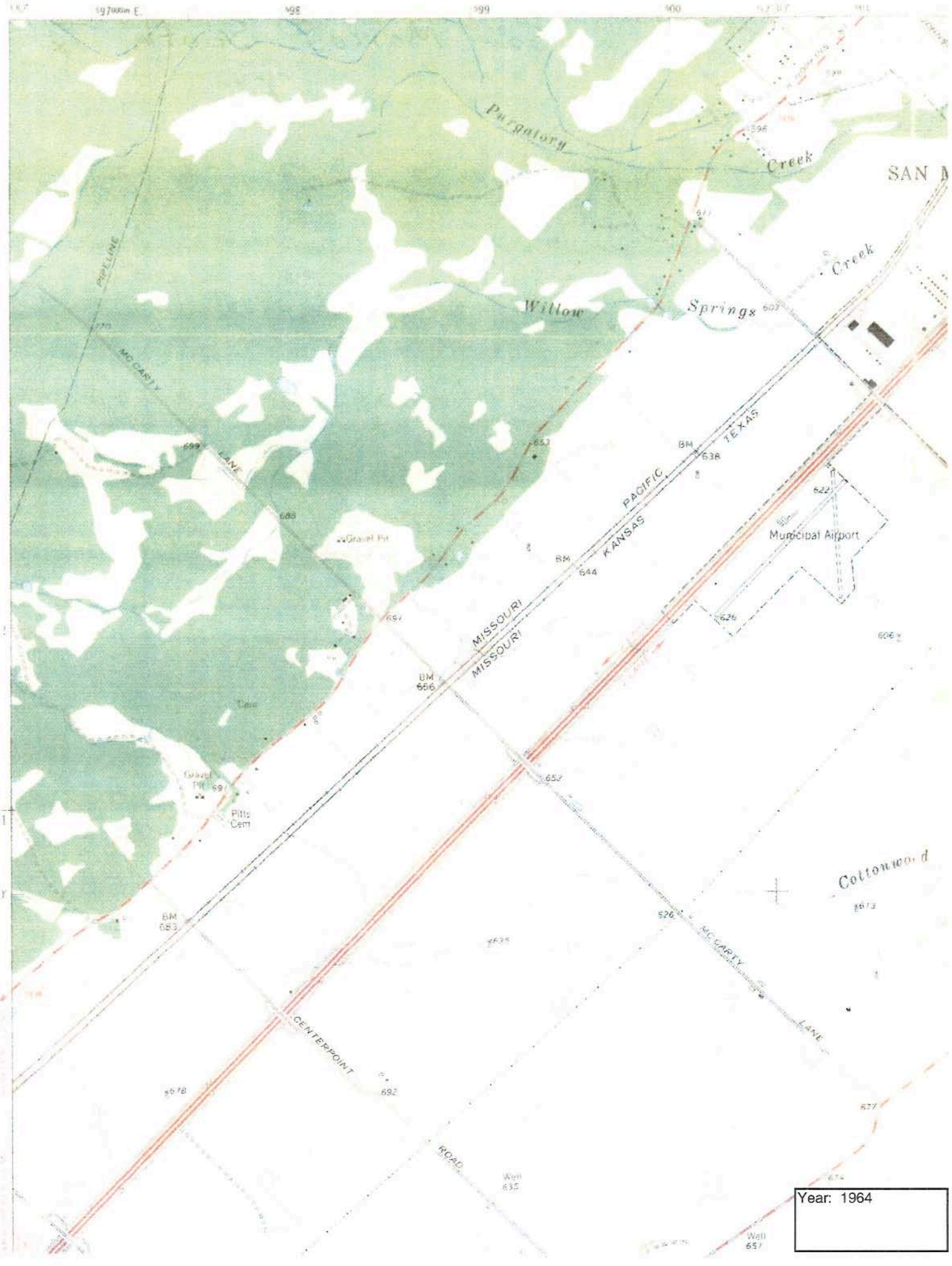

2-21B1
2-21B1
2-21 C3
2-21B1
2-21 C1
2-17B1
2-21 B1
30 B1
2-15A1
4b-37A1
2-15A1
4b-37A1
2-15B1
4-34A1
2-15A1
2B1
No. B1
2-21 C1
2-15A1
U.S. Hiway
2-21B1
Year: 1951

APPENDIX 7

HISTORICAL TOPOGRAPHIC MAPS

Purgatory
Creek
SAN
Creek
Willow
Springs
PIPELINE
MOCARTY
LANE
Gravel Pit
MISSOURI
MISSOURI
KANSAS
PACIFIC
TEXAS
Municipal Airport
Cem
Gravel Pit
Pitts Cem
Cottonwood
MOCARTY
LANE
CENTERPOINT
ROAD
Well
Well

Year: 1973


Purgatory
Creek
Willow
Springs
Creek
PIPELINE
McCARTY
LANE
PACIFIC
TEXAS
KANSAS
MISSOURI
MISSOURI
BM
638
BM
644
BM
656
BM
683
Municipal Airport
Gravel Pit
Pitts
Cem
Cottonwood
McCARTY
LANE
CENTERPOINT
ROAD
Well
635
Well
651

Year: 1964

APPENDIX 8

FIELD NOTES

SHEET NO. 1 OF 2

PROJECT NO. 44184-0200

DATE 6-8-05

BY K. Mardo/S. Chiarillo

CHK'D

TRC
Customer-Focused Solutions

SUBJECT Phase I ESA Notes

1300 Prepped and mobilized to site.

1445 Arrived at site. Drove around to look for an entry onto the site.

Northern neighbor is Cut Paper

Turned into site off of I-tt-35 headed south onto a small driveway.

Drove along fenceline found a few pieces of scrap metal. Other than that there is just heavy vegetation. Couldn't drive all the way through. Lot is covered in primary succession weeds.

Picture 1 - F_N Site along fenceline

Picture 2 - F_{NW} Site from fenceline from driveway

3 F_W Site along tree line from driveway

4 - F_W Site from middle of fenceline

5 F_E Fire hydrant along ROW

6 - F_N Northern neighbor North Carolina Furniture Direct

7 - F_{SW} Site from northwest corner

8 - F_W Transformers along northern fenceline

9 - F_N Transformers along northern fenceline

Transformers are on neighboring property

10 - F_{NW} Northern neighbor w/debris storage

11 - F_{NE} Northern neighbor

12 - F_S Property from northern fenceline

13 - F_S Waist-high vegetation

14 - F_E Treeline

15 - F_{SW} Site from treeline

Southern section

Picture 16 - Sanitary sewer

Picture 17 - Water feature about halfway through property

Water feature about 25 feet wide

A

SHEET NO. 2 OF 2

PROJECT NO. 44184-0200

DATE 6-8-05

BY K. Morales/ S. Chiarello

CHK'D

TRC
Customer-Focused Solutions

SUBJECT Phase I ESA Notes

Walked towards black area but couldn't determine what it was

Picture 18 - Black lagoon area in center of southern portion
Picture 19 - F_W black area
Picture 20 - F_E mound in southern section
Picture 21 - Non-native fill
Picture 22 - F_W Sanitary sewer cleanout
Picture 23 - F_N Stake w/ X
Picture 24 - F_N Transformer along ROW

Southern neighbor has car repair and maintenance facilities

Various utilities in ROW

1430 Left site for E. Austin

6-8-05
S. Chiarello

A

PHASE I ENVIRONMENTAL SITE ASSESSMENT
SITE RECONNAISSANCE CHECKLIST / FIELD NOTES

Client: GLO		
Subject Property: San Marcos Outlet Park Northern Section		
Date: 06-08-05		Page: 1 of 3
Current use of subject property	Inactive agricultural	
Historical use of subject property	farm / ag land	
Methodology for site reconnaissance (If possible, use of map of site to describe methodology so site visit can be recreated, if needed.)	Will walk along fenceline north (from small driveway). Then along fenceline, and south along fenceline. Observe rest of property from perimeter strolled down center of field	
Limitations	Heavy vegetation and no thoroughfares	
General setting / neighboring properties (Describe surrounding area and discernable current uses.)	North: Gulf Paper South: Car outlet and residential East: IH-35 and commercial and agricultural West: Railroad tracks and rural residential / agricultural	
Geologic, hydrogeologic, hydrologic, and topographic conditions	Slopes south towards water feature ~10°	

Structures and improvements on subject property	None
Roads / Driveways	None
Water supply / Sewage disposal system	City of San Marcos
Storage tanks and associated piping (Describe size, location, condition, and information regarding contents.)	None
Drums / Containers / Waste storage (Describe size, location, condition, and information regarding contents.)	None on site. Northwestern neighbor appears to have drum storage area
Drums / Containers / Chemical product or raw material storage (Describe size, location, condition, and information regarding contents.)	None
Solid waste disposal (roll offs, waste piles, etc.)	Minimum quantities of municipal trash and debris from road
Ponds, pits, lagoons or trenches (distinguish storm water conveyances)	Minor trenching along ROW from north to south along access road.
Odors	None

PHASE I ESA FIELD NOTES, CONTINUED
Client/Location:
Date:

PCB oils / Hydraulics / Electric transformers	None on site. 3 transformers at northeastern neighbor. Could not determine PCB status or get close enough to access. Vegetation.
Leaks / Stains / Corrosion (discharges to floor of building or soils)	None on site
Drains / Sumps (content and location)	None on site
Waste water / Cooling water	None on site
Wells / Potable drinking water source	None on site
Stressed vegetation	None
Construction / Demolition debris	None on site
Soil subsidence or mounding or evidence of non-native fill	None

Additional Notes: *(Are additional sheets of notes attached? ☒ Yes ☐ No)*

PHASE I ENVIRONMENTAL SITE ASSESSMENT
SITE RECONNAISSANCE CHECKLIST / FIELD NOTES

Client: General Land Office		
Subject Property: San Marcos Outlet Park ~~Northern~~ Section SMC Southerns		
Date: 06-08-05		Page: 1 of 3
Current use of subject property	Inactive agricultural	
Historical use of subject property	Drove NW, then SE, and NE along old roads. walked towards water frontage and black lagoon area	
Methodology for site reconnaissance (If possible, use of map of site to describe methodology so site visit can be recreated, if needed.)	farm/ag land	
Limitations	Heavy vegetation and water crossings, threat of poisonous animals	
General setting / neighboring properties (Describe surrounding area and discernable current uses.)	North: Gulf Paper South: Car outlet and residential East: IH-35 and commercial and agricultural West: Railroad tracks and rural residential agricultural	
Geologic, hydrogeologic, hydrologic, and topographic conditions	Slopes north towards water, less than 10° slope	

Structures and improvements on subject property	Some rigged abandonded, barely discernable roads
Roads / Driveways	no structures; Sewer + water valves
Water supply / Sewage disposal system	City of San Marcos - Water Services (hydrants ! sanitary sewer)
Storage tanks and associated piping (Describe size, location, condition, and information regarding contents.)	None on site
Drums / Containers / Waste storage (Describe size, location, condition, and information regarding contents.)	None on site
Drums / Containers / Chemical product or raw material storage (Describe size, location, condition, and information regarding contents.)	None on site
Solid waste disposal (roll offs, waste piles, etc.)	None on site
Ponds, pits, lagoons or trenches (distinguish storm water conveyances)	Traversed by drainage area that's within the 100 Year floodway Trash along ROW
Odors	None on site

PCB oils / Hydraulics / Electric transformers	Transformer along ROW; could not determine PCB status
Leaks / Stains / Corrosion (discharges to floor of building or soils)	None visible
Drains / Sumps (content and location)	None on site
Waste water / Cooling water	None
Wells / Potable drinking water source	None
Stressed vegetation	None
Construction / Demolition debris	None
Soil subsidence or mounding or evidence of non-native fill	White rock

Additional Notes: *(Are additional sheets of notes attached? ☒ Yes ☐ No)*

APPENDIX 9

RESUMES

STEPHANIE CHIARELLO

EDUCATION

B.S., Biology (Ecology, Evolution, and Conservation), University of Texas at Austin, 1998

TECHNICAL SPECIALTIES

Ms. Chiarello has five years of experience and currently serves as an environmental scientist in TRC's Austin, Texas, office. Her technical specialties include the following:

- Biological Water Sampling
- Chemical Analysis of Water and Sediment Samples
- Natural Resource Assessments
- Phase I & II Environmental Site Assessment
- Endangered Species Surveys
- Data Validation and Quality Assurance

REPRESENTATIVE EXPERIENCE

Biological Water Sampling

Water Sampling, Lower Colorado River Authority (LCRA), Austin, Texas. Assisted with water sampling for biological, chemical, and physical constituents and properties in stream and lake systems for customers.

Well Sampling Investigation, The Railroad Commission of Texas, Click, Vincent, and Zant Saltwater Seeps, Howard County, Texas. Collected water samples from monitoring wells for analysis of chlorides. Duties included site access coordination, laboratory coordination, monitoring well and seep water sampling, and report writing.

Chemical Analysis of Water and Sediment Samples

Lower Colorado River Authority (LCRA), Austin, Texas. Performed various Environmental Protection Agency (EPA) and Texas Natural Resource Conservation Commission (TNRCC) approved laboratory extractions for analyses that identify contaminants in hazardous waste, environmental and potable water, soil, and industrial hygiene media.

Ecological Risk Assessment, Austin Energy, Austin, Texas. Served on a team conducting a Tier 2 Screening-Level Ecological Risk Assessment (SLERA) of Shoal Creek associated with the Seaholm Power Plant and Seaholm Substation in Austin, Texas. The scope included a screening evaluation of contaminants within Shoal Creek to determine their potential effects to ecological receptors in accordance with current agency guidelines.

Natural Resource Assessments

Natural Resource Assessment and Permitting, Burlington Northern & Santa Fe Railway (BNSF), Temple, Texas. Assisted in the final phase of a biological resources evaluation for the proposed expansion of a railroad track system in Bell County, Texas. Assisted in habitat assessment, wetland delineation, and assessment of potential for state- and federal-listed threatened and endangered species. Project included the filling and rerouting of approximately 4.5 acres of stormwater drainage ditch containing wetland vegetation. Upon consultation with the Corps of Engineers-Fort Worth District, it was concluded that this area could be considered an upland drainage ditch and was, therefore, not under Corps jurisdiction. Project provided recommendations on Section 404 permitting requirements for remaining impacts and suggested mitigation measures to be implemented to minimize impacts.

Natural Resource Assessment and Permitting, Burlington Northern & Santa Fe Railway (BNSF), Allenfarm, Texas. Assisted in the assessment of biological resources for the proposed expansion of a railroad track system in Brazos County, Texas. Conducted a preliminary habitat assessment, delineated two wetlands and multiple waters of the U.S., and assessed potential for state- and federal-listed threatened and endangered species.

Natural Resource Assessment and Permitting, Hanover County, Madisonville, Texas. As part of a National Pollutant Discharge Elimination System (NPDES) permit, assessed natural resource issues for siting a natural gas-processing plant in Madison County, Texas. Performed preliminary habitat assessment, assessed potential for state- and federal-listed species, and delineated jurisdictional waters of the U.S. that were proposed to act as receiving waters for stormwater discharge. Project provided recommendations for limiting the potential for significant impact.

Phase I and II Environmental Site Assessments

Phase I Environmental Site Assessments, Numerous Locations, Texas. Served as task leader for a variety of Phase I environmental site assessments (ESAs) at agricultural, residential, industrial, and commercial properties. Duties included coordinating site visit, performing site reconnaissance, taking photographs, conducting interviews, taking project notes, and writing the draft report.

Phase II Subsurface Investigation, The Railroad Commission of Texas, E.P. Thompson Site, Humble County, Texas. Conducted a Phase II environmental investigation on the E.P. Thompson property in Humble County, Texas. Duties included sediment and water sampling of two abandoned oil storage pits now filled with water, oversight of the installation of four ground water monitoring wells and more than 30 boreholes, soil and water sampling of the installed monitoring wells and boreholes, and report writing.

Phase II Environmental Site Assessment, Yoakum, Texas. Conducted soil sampling for pesticides and herbicides as part of a Phase II environmental site assessment (ESA) at a former

rail yard. Reviewed and compiled sampling data and assisted in quality assurance/quality control (QA/QC) analysis.

Phase II Municipal Separate Storm Sewer System Stormwater Baseline Assessment, and Stormwater Management Plan, City of Frisco, Frisco, Texas. Conducted a Baseline Assessment of preparedness to comply with the Phase II Municipal Separate Storm Sewer System (MS4) Stormwater regulations for the City of Frisco, Texas; the fastest growing urban area in Texas. Assessment included evaluation of City programs, staff, legal authority and financing. Developed Stormwater Management Plan (SWMP) for implementation during the five year life of the City's MS4 permit. Primary responsibilities included evaluating and selecting Best Management Practices (BMPs) for the Public Outreach and Education component of the MS4 requirements.

NPDES Industrial Stormwater Permit and SWPPP, Marathon Ashland Petroleum LLC, Robinson, Illinois. Prepared a Stormwater Pollution Prevention Plan (SWPPP) and National Pollutant Discharge Elimination System (NPDES) permit application for a large refinery as part of the refinery's environmental permitting programs. The NPDES permit included gathering analytical data for six of the fourteen NPDES permitted outfalls and assisting refinery personnel with the implementation of Best Management Practices (BMP) and stormwater controls throughout the facility as required by their NPDES permit application. Primary responsibilities included developing SWPPP outline.

Endangered Species Survey

Endangered Species Survey, Dripping Springs, Texas. Assisted with a threatened and endangered species assessment on a 200-acre rural tract. The survey focused on golden-cheeked warbler, black capped vireo, and several threatened and endangered plant species.

Threatened and Endangered Species Survey and Habitat Assessment, Austin, Texas. Assisted with a threatened and endangered species assessment on rural properties of a proposed water treatment plant facility. The purpose of the study was to develop a working knowledge of the territorial boundaries of the resident golden-cheeked warblers, conduct a census of the breeding birds, and establish a breakdown of the known terrestrial habitats associated with the property. Property contained prime habitat (mature Ashe juniper stands intermixed with deciduous species) for the state- and federal-listed endangered golden-cheeked warbler (*Dendroica chrysoparia*). The surveys included a preliminary presence/absence determination and subsequent territorial assessments using U.S. Fish & Wildlife Service (USFWS) approved methodology. Project duties included site reconnaissance, bird call identification, habitat assessment, and report writing.

Data Validation and Quality Assurance

Quality Assurance Support for a Ground Water Monitoring Program, Major Gas Plants. Provided support for Quality Assurance (QA) activities, including analytical data review and

validation and QA report preparation. The QA report presents precision and accuracy estimates based on quality control data, potential data useability limitations, and an evaluation of the overall effectiveness of the analytical efforts.

SPECIALIZED TRAINING

Phase I Environmental Site Assessment Training
OSHA 40-hour Health and Safety Training, 2001
Texas Risk Reduction Program

MARK A. ROBBINS

EDUCATION

Graduate Studies, Civil/Environmental Engineering, Texas Tech University, Lubbock, Texas, 1988
B.S., Civil Engineering, Texas Tech University, 1988

TECHNICAL SPECIALTIES

As Senior Project Manager and Operations Manager in the TRC Austin, Texas, office, Mr. Robbins has more than 14 years of experience in:

- Engineering Design and Analysis – Remediation Systems
- Engineering Design and Analysis – Water Treatment Systems
- RCRA Corrective Action Programs
- Engineering Design and Construction Oversight
- Regulatory Support and Permitting
- Application Development and Computer Simulation
- Site Investigation Programs

REPRESENTATIVE EXPERIENCE

Mr. Robbins currently serves as a Senior Project Manager and Operations Manager in TRC's Austin, Texas office. Mr. Robbins' engineering experience includes developing and managing multi-discipline site investigations, engineering design, and remediation projects for both commercial and government clients. His responsibilities include managing all contractual, technical, budget, and schedule aspect of these projects. As Operations Manager, Mr. Robbins is responsible for managing the staff and fiscal resources of the Austin, Texas office.

Engineering Design and Analysis – Remediation Systems

Ground Water Remediation System, Marathon Pipeline Company, Illinois. Project Engineer on a shallow ground water remediation system at a Marathon Pipe Line Terminal. The system was designed to dewater a petroleum-impacted zone in a "cyclic" fashion to facilitate natural attenuation. In addition, the remediation system was designed to remove free product through physical separation and to treat dissolved components in the ground water prior to discharge. The project included data analysis, modeling, detailed engineering design, cost estimating, and construction management.

Remediation System Design and Evaluation, The Railroad Commission of Texas, Texas. Project Manager responsible for multiple projects to evaluate and design remediation systems at former oil and gas exploration and production sites in Texas. Under contract with the Railroad Commission of Texas (RRC), managed the investigation of state-led abandoned sites. In addition, led a team of engineers in the evaluation, design, and cost estimation of remedial

solutions. Sites range from old production fields to abandoned disposal and reclamation facilities.

Soil Remediation, U.S. Army Corps of Engineers, Kansas City District, Kansas. Managing Engineer for the remediation of hazardous and non-hazardous heavy metal and explosive contaminated soils at a military ammunition plant in Kansas. The project was a design and construct effort on an excessively aggressive schedule. Prepared construction plans and specifications, health and safety plans, regulatory basis document, contractor quality assurance plan, contractor work plan, and detailed construction estimate. The project, from design to construction, was completed in less than nine months. Treatment technologies included ex situ stabilization and/or capsulation as necessary to treat below the underground storage tanks (USTs) followed by off-site disposal as non-hazardous waste.

Ground Water Remediation, Hill Air Force Base, Utah. Project Director responsible for the remediation of contaminated ground water at Hill AFB, Utah, using two innovative treatment technologies. Responsibilities included conceptual planning, detailed system design, cost estimating, contracting, construction oversight, operations, and coordination with regulators and military reviewers. Under direct contract with Hill AFB, a system was designed to study the remediation effectiveness of aggressive deep-well air sparging and a vacuum vaporizing well. The site included ground water at 130 feet below ground level (bgl) contaminated with dissolved chlorinated solvents. Each system was to run independently for three months and the effectiveness evaluated. Because of the need to capture immense amounts of data and the site's remote location, a data acquisition and telemetry system was designed and installed as part of the system. The results of the study have demonstrated good results for the air-sparging and it is being operated to further remediate the ground water.

Engineering Design and Analysis – Water Treatment Systems

Water Treatment System. Project Director responsible for the design, construction, and operation of a water treatment system to remove chlorinated organics from ground water. The system was designed to sufficiently treat the water to allow direct discharge offsite. The system included controls to treat both water and air (resulting from water treatment) and was designed to operate year round in a harsh winter climate.

Remediation and Renovation of Stormwater Management Site, U.S. Army Corps of Engineers, Fort Worth District, Carswell Air Force Base, Texas. Working with the USACE Fort Worth District, served as Task Leader for the preparation of design plans and specifications for the remediation and renovation of a stormwater management site at Carswell AFB in Texas. The project included remediation of the current site, analysis and design of a replacement facility, and plans and specifications for each. An unlined, stormwater conveyance channel had been affected by past releases. Data was collected and analyzed, and remediation was designed to remove the affected materials. Also, a new concrete channel was designed to stabilize the local soils, as well as to prevent future environmental problems.

Stormwater Management Analysis, Industrial Facility, Florida. Conducted an analysis of a stormwater management/treatment facility for an industrial facility in Florida. Responsibilities included development of the design alternative, the conceptual design, and the construction cost estimate.

Stormwater Management Facility Conceptual Design, Chemical Plant, Texas. Performed an analysis and conceptual design of stormwater management facilities at a Gulf Coast chemical plant.

Stormwater Management System, Chemical Plant, India. Conducted an assessment and analysis of the stormwater management systems at a chemical plant in east India. Assessed the feasibility of incorporating monsoon season surface runoff into the plant processes.

Segregated Storm Sewer System, Petroleum Refinery, Indiana. Assisted in the conceptual design of a segregated storm sewer system for a petroleum refinery in Indiana. Responsibilities involved alternative development, conceptual design and analysis, and a preliminary construction cost estimate.

RCRA Corrective Action Programs

RCRA Corrective Action Program, Petroleum Refinery, Illinois. Managed an RCRA corrective action program at a large petroleum refining facility in Illinois. Prepared the RFI Phase I and Phase II Plans for 13 SWMUs; performed a risk-based evaluation of the data; and planned, designed, and oversaw a voluntary corrective action of five SWMUs through the ex situ, enhanced biological treatment. A total of 12 SWMUs have been approved for NFA, and the last is NFA except for long-term monitoring. All SWMUs were evaluated under a risk-based approach.

Corrective Action Program, Citgo Petroleum Refinery, Lemont, Illinois. Project Manager for the corrective action program at a large Midwestern refinery. Duties included agency negotiations for the issuance of a RCRA post-closure permit; the designation, design, and permitting of a CAMU for management of remediation wastes; the development of a risk-based strategy for site-wide (and SWMU-specific) investigation and remediation of soils and ground water; and the negotiation of the RFA results and the final SWMU list for corrective actions. Also currently preparing the RFI work plan and cost estimates for the implementation of the RFI.

Site Investigation and Remediation Design, Omaha Corps of Engineers, New Mexico. Project Director on the investigation and remedial design of a historical petroleum fuel spill at a military site in New Mexico. The spill site is included in the facility's RCRA corrective action program administered by U.S. EPA, Region 6. As Project Director, planned and oversaw investigation, data analysis, and design of an in situ bio-sparging and soil vapor extraction system.

Engineering Design and Construction Oversight

Design and Construction. Project Manger on three design and construct projects to remove petroleum hydrocarbons from water. Processes included oil/water separation, suspended solids removal, pH adjustments, and treatment of the dissolved phase to NPDES limits. As Project Manger, responsible for the design, construction, startup, and operation of these facilities. System capacities ranged from 3,000 to 20,000 gallons per day. Each system was automated and designed to operate year round.

SWMU Remediation and CAMU Construction, Marathon Ashland Petroleum LLC, Robinson, Illinois. Lead Project Engineer on a project to perform the conceptual planning, design, contracting, and construction oversight of a remediation project of five SWMUs using a Corrective Action Management Unit (CAMU) to manage the wastes. Led the Options Analysis of remedial alternatives, which was used as the basis for selecting the site remedy. One of the SWMUs was a 10-acre surface impoundment that contained 75,000 yd^3 of primary sludge. The remediation wastes are being treated biologically within the CAMU via compost piles and land treatment. This project was the first of its kind in U.S. EPA Region V and required close interaction with the U.S. EPA and the Illinois EPA. The project involved a very aggressive completion schedule and numerous participants working together. As Engineering Leader, organized, planned, and coordinated the engineering components of the project as well as served as a liaison with the regulatory components of the project team.

Environmental Remediation, Air Force Center for Environmental Excellence (AFCEE), Holloman Air Force Base, New Mexico. Project Director over the remediation of a jet crash site at Holloman Air Force Base. Responsibilities included investigation, delineation, and remediation of jet fuel contamination under an accelerated schedule. Under a contract with AFCEE, planned and conducted the investigation, evaluated the data and prepared the design documents, prepared the bid documents, evaluated the bids and selected a contractor, and conducted the remediation and rehabilitation of the site. The project, from plan through remediation, was completed in five months and under the original budget.

Clean Closure of Waste Management Units, Oil Production Related Facilities, Texas. Project Director responsible for the preparation of detailed plans and specifications for the clean closure of waste management units at two Texas oil productions related facilities. The projects involved proper removal and disposal of an underground storage tank (UST), a large treatment basin, wastewater treatment equipment, and large amounts of contaminated soils. The projects included design, contracting, and construction oversight.

Soil Vapor Extraction System, Air Force Center for Environmental Excellence (AFCEE), Alaska. Task Leader responsible for the design, construction, and operation of a pilot-scale soil vapor extraction system to remove petroleum fuel contamination at a military site in Alaska. Responsibilities included designing, purchasing, and installing the system on an accelerated schedule.

Detailed Construction Cost Estimates, U.S. Army Corps of Engineers, Omaha District. Task Leader on numerous projects to prepare detailed construction cost estimates for hazardous material cleanup at military sites. Produced computerized templates to match those of the Omaha District and oversaw construction estimates of remediation and renovation of military sites. Worked on projects in several different states including Arizona, New Mexico, New Jersey, North Dakota, and Texas. Involved in the calculation of all costs (labor, materials, equipment, overhead, and profit) to complete the remediation as designed.

Detailed Plans and Specifications, U.S. Army Corps of Engineers, Omaha District, Ellsworth Air Force Base, North Dakota. Led the preparation of detailed plans and specifications for a hazardous materials cleanup for Ellsworth AFB, North Dakota, conducted under contract with the Omaha District. Responsible for providing plans and specifications for the removal and disposal of underground storage tanks (USTs), petroleum contaminated soils, and PCB-contaminated electric transformers.

Treatability Study and Interim Action, Air Force Center for Environmental Excellence, Galena Air Force Station, Alaska. Lead Engineer on a combined treatability study/interim action at Galena AFS, Alaska, for AFCEE. The project involved the design and construction of an in situ biological treatment system that was enhanced and expanded in subsequent seasons. The system was designed, equipment was procured and shipped via barge to the remote location, and construction was performed on site. The system was operated for three months and judged successful. The following year the system was redesigned to expand and enhance it. Equipment was procured and shipped, and construction was completed. Again the system was judged to be successful. The third season a final design was completed to expand the system to the whole site. The final construction will be completed by a third party.

Hydrocarbon Recovery System, Texas Gulf Coast Refinery, Texas. Conducted an analysis to assist in the investigation of a permanent hydrocarbon recovery system at a Texas Gulf Coast refinery. Reviewed geologic data, interpreted product thickness data, and provided a preliminary development of pumping schedule and empirical method to estimate recoverable hydrocarbon.

Free Hydrocarbon Recovery System, Refinery, Southeastern Texas. Lead Engineer on a project to recover free hydrocarbons from the subsurface at a refining facility in southeastern Texas. The automated recovery and storage systems design was based on field measurements to recover the maximum free hydrocarbon.

Regulatory Support

Risk-Based Corrective Action. Knowledgeable and trained in various risk-based corrective action (RBCA) programs across the United States. Experienced in numerous state programs including Texas, Illinois, Kansas, Indiana, and New Mexico. Participated in the development of software for implementing a RBCA program specifically for exploration and production sites.

Permitting, New Chemical Plant, California. Project Manager for the environmental/ construction permitting for a new chemical plant in southern California. Project included the acquisition of permits relating to air, water, and waste. Additionally, worked with the county to secure necessary construction permits to facilitate the project's aggressive schedule.

RCRA Corrective Action, Chemical Plant, Illinois. Regulatory Analyst for the RCRA program at a chemical plant in Illinois. Responsibilities included developing regulatory strategies (including risk-based strategies under the Illinois EPA's RBCA program, TACO). Oversaw the risked-based, no action closure of RCRA corrective action sites and facilitated the withdrawal of the facilities RCRA permit by the state.

RCRA Permit Renewal, Honeywell International, Metropolis, Illinois. Project Manager for the RCRA permit renewal at a manufacturing facility in southern Illinois. Responsibilities included preparation of the permit applications and negotiation of the renewal with the state regulatory agency.

Post-Closure RCRA Permit, Citgo Petroleum Refinery, Lemont, Illinois. Project Manager and technical lead for the preparation, negotiation, and acquisition of a post-closure RCRA permit at an Illinois refinery. The permitting approach allowed the phasing of the RCRA corrective action program into three separate, sequential steps over a ten-year period. Also secured a permit-specified, facility-wide approach to investigation and management of impacted ground water. Negotiated a provision into the RCRA permit that allowed the closed land farm to be reopened as a corrective action management unit (CAMU) in support of the RCRA corrective action program.

CAMU Design and RCRA Permit Application, Citgo Petroleum Refinery, Lemont, Illinois. Project Manager for the design and permit application of a CAMU for an Illinois refinery south of Chicago. The unit was designed to receive and treat hazardous and non-hazardous wastes that will be generated by the RCRA corrective action program over a 10-year period. The permit application is under review by the state.

Waste Registration, Industrial Facility, Texas. Prepared Waste Registration for a Texas industrial facility. Task included extensive interactions with the client and regulatory agency, sampling, and preparation of a report for presentation to the regulatory agency.

Clean Closure of Hazardous Waste Storage Tanks. Assisted with the closure of three surface hazardous waste storage tanks for a petroleum client in Texas. Oversaw the decontamination and demolition of the tanks. Prepared the closure certification report to verify the clean closure of the hazardous waste storage facilities. The report was submitted to the Texas Water Commission for approval.

Voluntary Cleanup Programs, Various Locations. Experienced with the RBCA voluntary cleanup programs in many states, including Texas, Illinois, and Kansas. Prepared basis documents and applications for sites in Texas.

Application Development and Computer Simulation

Custom Data Acquisition and Reporting System. Managed a team that designed a data system that collected and managed asbestos survey data from more than 2,500 sampling sites at a military facility in Texas. Tasks included database design and GUI customization with automation of data entry for analytical results. Created a reporting tool to automate the production of MS Word® text reports from an MS Access® database for each of the 2,500 sites. The product was designed, developed, and distributed within 45 days and on budget. Duties included liaison between project team, development team, and end user.

Cost Estimating Computer Model. Task Leader on project to design and build a computer model that estimates the cost of remedial investigation and feasibility study (RI/FS) programs. The project included model development and validation, construction of computer model, and construction of graphical user interface.

Modeling Land Treatment Demonstration Data, Marathon Ashland Petroleum LLC, Robinson, Illinois. Task Leader for modeling of the land treatment facility. Developed the modeling strategy, collected and assembled all the necessary data, interpreted the modeling results for various parameters, and prepared a report in verification of a land treatment demonstration (LTD). The modeling approach included the use of unsaturated and saturated models to evaluate off-site migration of contaminants.

Fate and Transport Modeling, Hazardous Waste Site, Missouri. Led the contaminant fate and transport modeling in support of a delisting petition for incinerator ash at a hazardous waste site in Missouri. Task responsibilities included modeling strategy development, coordination of data between unsaturated and saturated transport models, and model validation with primary regulatory agency.

Unsaturated Zone Modeling, Land Treatment Facility, California. Task Leader for unsaturated zone modeling at a land treatment facility in California. Task responsibilities included fate and transport modeling of organic and inorganic constituents, interpretation and incorporation of laboratory data, and the coordination of two numerical models.

Site Investigation Programs

Refinery Sewer Analysis, Sewer Workplan Review, Citgo Petroleum Refinery, Lemont, Illinois. Reviewed the sewer workplan created to comply with the Refinery's RCRA Part B permit. Ensured plan complied with the RCRA permit and recommended changes in the plan for compliance.

Refinery Sewer Analysis, Major Sewer Lines, Citgo Petroleum Refinery, Lemont, Illinois. Project Manager for a sewer system data gap analysis project. Project included identifying cross connections, bottlenecks, line discontinuity and other operational issues for major lines in the

Refinery sewer system. Led the team in creating the process and labeling system used to complete the review of hundreds of sewer drawings. Created and implemented a project process to get the project completed on time and under budget. Completed quality control checks on data compiled by other team members.

Refinery Sewer Analysis, Minor Sewer Lines, Citgo Petroleum Refinery, Lemont, Illinois. Project Manager for a sewer system data gap analysis project. Project included identifying, labeling, evaluating, and recording lines and connections/structures associated with minor sewer lines within the refinery units. Created and implemented a project process to get the project completed on time and under budget. Determined cross connections, bottlenecks, line discontinuity, and other operational issues. Delivered a simple spreadsheet-type database that detailed each connection and line segment and denoted any operational issues. Completed quality control checks on data compiled by other team members. Project included the analysis of thousands of sewer components during the project.

Site Assessment and Corrective Action, Baker Hughes. Project Manager on multiple projects for an oil field chemical and service company. Under a contract with Baker Hughes, oversaw the assessment and corrective action at multiple facilities in Texas and around the country. Projects commonly involve the evaluation and remediation of ground water.

Phase II Site Assessment. Project Manager for a Phase II site assessment at a former city industrial property. This former maintenance and storage facility was targeted for redevelopment by an independent developer. Worked with the developer and the city to quickly quantify the environmental impacts and/or risks at the site. The investigation was the first step in the process of moving the project through the VCP program and into construction. The project was completed on-time and within budget by employing a cost-effective balance of field methods and quick-turn-around analysis. The results were used to conceptually design and estimate the cost of remediation alternatives under Standard 1 and Standard 2 of the Texas risk reduction rules.

RFI Program, U.S. Army Corps of Engineers, Omaha District, Holloman Air Force Base, New Mexico. Managed an RFI program for an Air Force base in New Mexico. Prepared Phase I and Phase II Work Plans and managed the field investigation team, including three subcontractors. The program included 13 SWMUs in Phase II. Of these, all but three went to NFA under risk-based analysis. The remaining three underwent voluntary corrective action.

Environmental Site Investigation, U.S. Army Corps of Engineers, Omaha District. Team Leader for conducting field investigations at more than a dozen military facilities to qualify and quantify the presence of hazardous materials. Coordinated personnel and equipment, supervised sample collection, and oversaw preparation of the field investigation report. Under contract with the Omaha District, conducted investigations in different states including Alaska, Arizona, New Jersey, New Mexico, North Dakota, and Texas.

Surface Impoundment Investigation, Texas. Task Leader for the investigation of three surface impoundments to facilitate closure at a Texas chemical plant. Organized personnel and equipment, and supervised sampling procedures.

Environmental Sample Collection and Analysis. Collected soil, ground water, and waste stream samples at dozens of project locations for a variety of laboratory analyses over a 10-year period.

SPECIALIZED TRAINING

OSHA 40-Hour Health and Safety Training (29CFR 1910.120)
Annual OSHA 8-Hour Refresher Training
8-Hour Construction Training
First Aid and CPR Training
Project Management
Time Management
Excellence in Leadership
Texas Risk Reduction Program Training
ASTM RBCA Training
Tiered Approach to Corrective Action Objectives
Advanced Visual Basic
Vadose Zone Interactive Processes Modeling
Numerical Groundwater Modeling
Team Building

PROFESSIONAL AFFILIATIONS

Air & Waste Management Association
American Water Works Association
American Society of Engineers
Water Environment Association of Texas
American Public Works Association

PUBLICATIONS

Rehage, J.A., and M.A. Robbins, *In Situ Remediation Pilot Test For Contaminated with Aircraft and Motor Fuels*, proceedings of the Eighth National Conference on Hydrocarbon Contaminated Soils, September, 1994.

Wheeless, W.E., S. Hicken, and M.A. Robbins, *In Situ Air Sparging--Technology Demonstration for Remediating Groundwater Contaminated with Dissolved-Phase Constituents at Hill Air Force Base*, September 1995.

File No. 155377

Hays County

Phase I ESA

Date Filed: 11-30-05

Jerry E. Patterson, Commissioner

By Isabel Alfaro

(9)

SCANNED
DATE 10-2-07

COMPLETE APPRAISAL IN A SUMMARY REPORT

of 112.00 acres located at the
west side of Interstate Highway 35, north of
McCarty Lane, San Marcos, Hays County, Texas

Submitted To:

Mr. Mark McAnally, MAI
Texas General Land Office
1700 N. Congress Ave., Room 111
Austin, TX 78701

Prepared By:

ATRIUM REAL ESTATE SERVICES
2305 Hancock Drive
Austin, Texas 78756

Effective Date of Appraisal:
July 14, 2005

REAL ESTATE SERVICES
atrium

July 15, 2005

Mr. Mark McAnally, MAI
Texas General Land Office
1700 N. Congress Ave., Room 111
Austin, TX 78701

RE: Complete Appraisal in a Summary Report of 112.00 acres located at the west side of Interstate Highway 35, north of McCarty Lane, San Marcos, Hays County, Texas.

Dear Mr. Mark McAnally, MAI:

As requested, Lory R. Johnson, MAI, Ryan H. Wyatt and Jeff G. Johnson have personally inspected the above referenced property. The purpose of the appraisal is to estimate the market value of the fee simple interest of the subject property. The following appraisal and final estimate of value have been based upon the inspection of the property and upon research into various factors which influence value. The effective date of this appraisal was July 14, 2005.

The analysis and results of the investigation are submitted in the accompanying report which has been prepared in conformity with the requirements of the *Code of Professional Ethics and the Standards of Professional Appraisal Practice* of the APPRAISAL INSTITUTE, the *Uniform Standards of Professional Appraisal Practice* as promulgated by the APPRAISAL FOUNDATION, as well as the requirements of the STATE OF TEXAS for State-Certified General Real Estate Appraisers. In addition, the accompanying report has been prepared in conformity with the requirements of Texas General Land Office. A copy of the engagement letter is contained in the Addenda of this report.

MARKET VALUE ESTIMATE - As will be discussed herein, the market value of the fee simple interest of the subject property, as of July 14, 2005, was as follows:

Five Million One Hundred Twenty Two Thousand Six Hundred Fifty Six Dollars ($5,122,656)

Please note: This value conclusion is specifically limited by the *Basic Assumptions and Limiting Conditions*, with emphasis on the *Extraordinary Assumptions* as detailed at the beginning of this appraisal report.

Exposure Period - Based on our understanding of exposure time, it is generally described as the amount of time necessary to expose a property to the open market to achieve a sale. Based on information gathered for this appraisal, the exposure period for the fee simple interest in the subject property has been projected at 12 months or less.

2305 Hancock Drive, Austin, TX 78756 | 512.453.7407 | Fx: 512.453.1606 | www.atriumrealestate.com

ATRIUM REAL ESTATE SERVICES appreciates the opportunity to be of service to you and Texas General Land Office. Should you have any questions, or if we can be of further assistance, please contact our office.

Respectfully submitted,

ATRIUM REAL ESTATE SERVICES

Lory R. Johnson, MAI
President
Texas Certified Appraiser #TX-1321640-G

Ryan H. Wyatt
Appraiser
Texas Certified Appraiser #TX-1333170-TRAINEE

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report is subject to underlying assumptions and limiting conditions qualifying the information contained in the report as follows:

The valuation estimate applies only to the property specifically identified and described in the ensuing report.

Information and data contained in the report, although obtained from public record and other reliable sources and, where possible, carefully checked, is accepted as satisfactory evidence upon which rests the final expression of property value.

No legal survey has been commissioned by the appraisers; therefore, reference to a sketch, plat, diagram, or survey appearing in the report is only for the purpose of assisting the reader to visualize the property.

It is assumed that all information known to the client and relative to the valuation has been accurately furnished and that there are no undisclosed leases, agreements, liens, or other encumbrances affecting the use of the property.

Ownership and management are assumed to be competent and in responsible hands.

No responsibility beyond reason is assumed for matters of a legal nature, whether existing or pending.

Information identified as being furnished or prepared by others is believed to be reliable, but no responsibility for its accuracy is assumed.

Any appraiser, by reason of this appraisal, shall not be required to give testimony as an Expert Witness in any legal hearing or before any court of law unless justly and fairly compensated for such services.

By reason of the purpose of this appraisal and function of the report herein set forth, the value reported is only applicable to the property rights appraised and the appraisal report should not be used for any other purpose.

Information regarding toxic wastes or hazardous materials which might affect the subject property, has not been proved; thus, the existence of toxic waste which may or may not be present in the property, has not been considered. Soil or drainage tests have not been performed, nor have soil or drainage test results been provided. Therefore, it is assumed that there are no subsoil or drainage conditions which would adversely affect the subject or their final valuation. This report assumes no soil contamination exists within or on the subject site. The valuation is subject to modification if any such potentially hazardous materials were detected by a qualified expert in these areas. The appraisers reserve the right to modify this valuation if so warranted.

One (or more) of the signatories of this appraisal report is a member (or candidate) of the Appraisal Institute. The Bylaws and Regulations of the Institute require each member and candidate to control the use and distribution of each appraisal report signed by such member or candidate. No third parties may rely upon this appraisal for any purpose whatsoever, including the provision of financing for the acquisition or improvement of the subject property. This appraisal was prepared specifically for the client, as addressed in this report. Third-parties who desire us to prepare an appraisal of the subject property for their use should contact the addressee of this report to obtain their approval for *ATRIUM REAL ESTATE SERVICES* to prepare an additional appraisal report for their specific needs. Additionally, portions of this appraisal report

shall not be given to third parties without prior written consent of the signatories of this report. Further, neither all nor any part of this appraisal report shall be disseminated to the general public by the use of advertising media, public relations media, news media, sales media or other media for public communication without the prior written consent of the signatories of this appraisal report.

No endangered species and endangered species natural habitats were evident upon site inspection. This report assumes that the subject is not encumbered by any environmental factors which would effect value.

Typically, real estate appraisers are not qualified nor are they experts in detecting hazardous materials, radiological materials, archeological resources, etc., therefore, an expert in these fields should be consulted for opinions on these matters.

This appraisal has not considered the effects of the enactment of the Americans with Disabilities Act of 1990 (ADA), which became effective January 26, 1992. Standards of this act are designed to provide access to all public facilities to all persons, regardless of mobility limitations. The act provides forceful encouragement for commercial establishments to enhance their accessibility and requires that renovations after this date fully comply with the access standards established by the Architectural and Transportation Barriers Compliance Board. A specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA has not been performed. The modifications and costs that may be necessary for the subject property to conform to ADA can be ascertained only by a qualified architect. Should such a study be undertaken, and should retro-fit costs, if any, become known, then the appraisers reserve the right to re-evaluate the subject property.

This appraisal report is based on the condition of local and national economies, purchasing power of money, and finance rates prevailing at the effective date of value.

EXTRAORDINARY ASSUMPTIONS

We were provided the property location and general information. Using this information and additional information secured from the Hays County Deed Records and the Hays Central Appraisal District, the legal description and size of the property were established. All information is assumed to be correct and has been considered in the following valuation analysis.

CERTIFICATION OF THE APPRAISERS

The undersigned do hereby certify that, to the best of our knowledge and belief:

- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- we have no present or prospective interest in the property that is the subject of this report, and we have no personal interest with respect to the parties involved.
- we have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, the occurrence of a subsequent event directly related to the intended use of this appraisal.
- the analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the *Code of Professional Ethics and the Standards of Professional Appraisal Practice* of the APPRAISAL INSTITUTE, the *Uniform Standards of Professional Appraisal Practice* as promulgated by the APPRAISAL FOUNDATION, as well as the requirements of the STATE OF TEXAS for State-Certified General Real Estate Appraisers.
- Lory R. Johnson, MAI, Ryan H. Wyatt and Jeff G. Johnson have made a personal inspection of the property that is the subject of this report.
- Jeff G. Johnson provided significant real property appraisal assistance to the persons signing this certification.
- the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- this appraisal report sets forth all limiting conditions (imposed by the terms of the assignment or by the undersigned) affecting the analyses, opinions, and conclusions expressed herein.
- as of the date of this report, Lory R. Johnson, MAI, has completed the requirements of the continuing education program of the Appraisal Institute.
- the appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
- the market data contained within this report, has been accumulated from various sources and, where possible, personally examined and verified as to details, motivation, and validity.

ATRIUM REAL ESTATE SERVICES

Lory R. Johnson, MAI
President
Texas Certified Appraiser #TX-1321640-G

Date Signed: July 15, 2005

Ryan H. Wyatt
Appraiser
Texas Certified Appraiser #TX-1333170-TRAINEE

Date Signed: July 15, 2005

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ADDENDA

ENGAGEMENT LETTER

INTRODUCTION

SUBJECT PROPERTY PHOTOGRAPHS

View of interior of property from IH 35

Date photo taken:
7/14/05

View of interior of property from IH 35 and northeast property corner

Date photo taken:
7/14/05

View of interior of property from IH 35

Date photo taken:
7/14/05

SUBJECT PROPERTY PHOTOGRAPHS

View of interior of property from IH 35 and southeast property corner

Date photo taken:
7/14/05

View of interior of property along IH 35

Date photo taken:
7/14/05

Interior view of property and floodway area from IH 35

Date photo taken:
7/14/05

SUBJECT PROPERTY PHOTOGRAPHS

Interior view of property and floodway area from IH 35

Date photo taken:
7/14/05

View of frontage along IH 35 facing south

Date photo taken:
7/14/05

View of frontage along IH 35 facing north

Date photo taken:
7/14/05

EXECUTIVE SUMMARY

Location of Property:	West side of Interstate Highway 35, north of McCarty Lane, San Marcos, Hays County, Texas
Map Reference:	Mapsco Map Page: 5C/117U
Parcel ID Number:	R11763
Property Rights Appraised:	Fee simple
Site Data:	
Size:	112.00 acres
Zoning:	Industrial (HI)
Utilities:	All utilities available.
Shape:	Irregular
Easements:	No adverse easements noted.
Topography:	Basically level to gently sloping
Floodplain:	Based on available maps, ±75% of the site is in the flood plain.
Improvements:	Vacant
Highest and Best Use:	Industrial development
Type of Appraisal:	Complete Appraisal in a Summary Report
Effective Date of the Appraisal:	July 14, 2005
Date of the Report:	July 15, 2005
Value Estimate:	$5,122,656

Please note: This value conclusion is specifically limited by the *Basic Assumptions and Limiting Conditions*, with emphasis on the *Extraordinary Assumptions* as detailed at the beginning of this appraisal report.

DATE OF VALUE

The property was inspected on July 14, 2005. This date serves as the effective date of the appraisal.

PURPOSE/INTENDED USE OF THE APPRAISAL

The purpose of this appraisal is to estimate the market value of the fee simple interest of the subject property. The definition of this value estimate is included herein. The client is Texas General Land Office with the client and the current owners of the property being the intended users of the report. Use of this report by others is not intended by the appraisers. This report is intended only for use in establishing the market value of the fee simple interest. This report is not intended for any other use.

SCOPE OF WORK

As outlined, the purpose of this appraisal is to estimate the market value of the fee simple interest of the subject property. We were provided the property location and general information. Using this information and additional information secured from the Hays County Deed Records and the Hays Central Appraisal District, the legal description and size of the property were established. All information is assumed to be correct and has been considered in the following valuation analysis.

In analyzing the area economy, data from various sources including the Chamber of Commerce was obtained. Historical trends as well as future projections were obtained through various studies and market surveys performed throughout the area. In addition, we inspected the subject property and surrounding properties, analyzed the area and subject neighborhood, formulated an opinion regarding the highest and best use, made a search for comparable sales and listings, and all other available pertinent information used in developing an opinion of value. This data is based upon research into the San Marcos/Hays County market. In all cases, the data is verified with buyer, seller, landlord, tenant, agent, and/or broker, and cross-checked through public records. Additionally, information gathered during this stage of the process included general data relating to the character and durability of the market, and the anticipated future of the market.

The subject is currently vacant.

In the analysis of the subject property the Cost Approach, Sales Comparison Approach, and Income Capitalization Approach were considered. As the property is vacant land only, the Sales Comparison Approach was used to value the subject.

The analysis and results of the investigation are submitted in this appraisal report which has been prepared in conformity with the requirements of the *Code of Professional Ethics and the Standards of Professional Appraisal Practice* of the APPRAISAL INSTITUTE, the *Uniform Standards of Professional Appraisal Practice* as promulgated by the APPRAISAL FOUNDATION, as well as the requirements of the STATE OF TEXAS for State-Certified General Real Estate Appraisers.

This is a Complete Appraisal in a Summary Report format which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice for a Summary Appraisal Report. As such, it presents only summary discussions of the data, reasoning and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning and analyses is retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated herein. The appraiser is not responsible for unauthorized use of this report.

The analysis and results of the investigation are submitted in this appraisal report which has been prepared in conformity with the requirements of the *Code of Professional Ethics and the Standards of Professional Appraisal Practice* of the APPRAISAL INSTITUTE, the *Uniform Standards of Professional Appraisal Practice* as promulgated by the APPRAISAL FOUNDATION, as well as the requirements of the STATE OF TEXAS for State-Certified General Real Estate Appraisers. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated herein. The appraiser is not responsible for unauthorized use of this report.

PROPERTY RIGHTS APPRAISED

The property rights appraised are the fee simple interest in the subject property. Fee simple estate is an absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.[1]

DEFINITION OF MARKET VALUE

Market value, as used in this appraisal report, is defined as being:
"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus." Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised and each acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sale concessions granted by anyone associated with the sale."[2]

LEGAL DESCRIPTION

The following legal description was obtained from the Hays County Deed Records, checked against the Hays Central Appraisal District and is assumed to be correct. It has not been verified by legal counsel nor has an independent survey of the parcel been commissioned. Therefore, it is suggested that the legal description be verified before being used in a legal document or conveyance.

Out of a 121.52 acre tract of land, more or less, out of the J.M. Veramendi Survey No. 1, A-17, Hays County, Texas

[1] *The Appraisal of Real Estate, 12th Edition*, (Chicago: Appraisal Institute, 2001) p. 69.
[2] *The Uniform Standards of Professional Appraisal Practice, 2001, p.3*

HISTORY/CURRENT LISTING OF THE PROPERTY

According to Hays County Deed Records, ownership of the property is vested to Capital Foresight Limited Partnership, and was conveyed to the current owner on August 11, 1997 from JASBA GMBH, as recorded in Vol. 1336, Pg. 595 of the Hays County Deed records. A portion of this property (8.39 acres) was sold from Capital Foresight Limited Partnership to Gillman-Gould Properties on April 19, 2001 as recorded in Vol. 1799, Pg. 700 of the Hays County Deed Records. It is our understanding that the property is under contract for $0.99/SF.

REAL ESTATE TAXES

The subject property falls under the jurisdiction of various taxing authorities. The adjacent chart illustrates the 2004 and 2005 tax rates per $100 valuation for each of these taxing entities. Presented in the following Table are the subject property's assessed values and tax liabilities for 2004 and 2005.

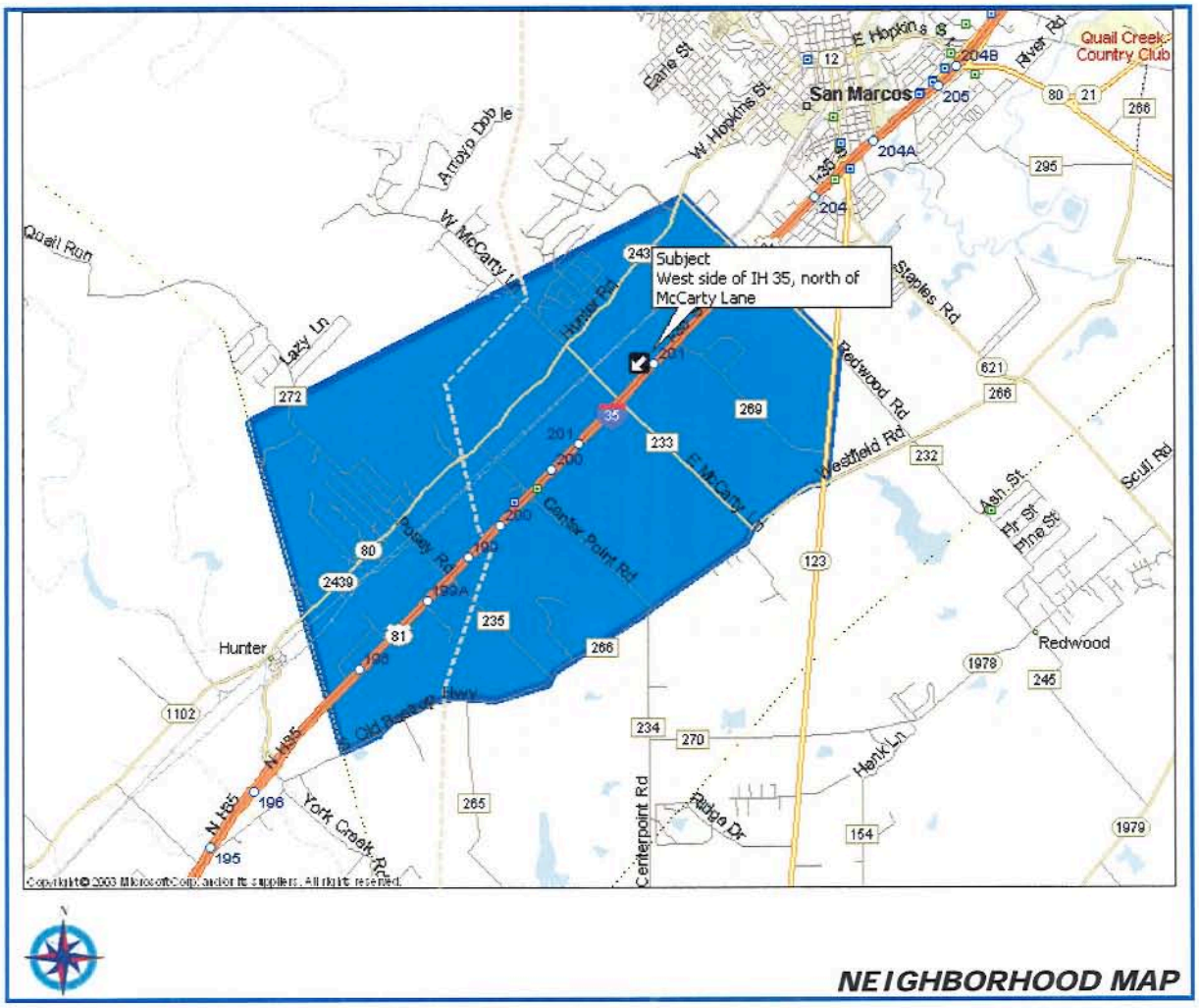
Jurisdiction	2004 Rate	2005 Rate
Hays County	$0.3920	$0.3920
San Marcos CISD	$1.7300	$1.7300
City of San Marcos	$0.4710	$0.4710
Special Road	$0.0710	$0.0710
Totals	$2.6640	$2.6640*

*Tax rates for 2005 have not yet been set.

TCAD: R11763					
Year	Land	Improvements	Total Assessed Value	Tax Rate/$100	Total Taxes
2005	$789,840	$0	$789,840	$2.6640*	$21,041
2004	$789,840	$0	$789,840	$2.6640	$21,041

According to representatives of the Hays County Tax Collector/Assessors Office, as of the effective date of this appraisal, the subject property has no delinquent taxes.

DESCRIPTIONS



NEIGHBORHOOD MAP

The subject property is located at the west side of Interstate Highway 35, north of McCarty Lane, San Marcos, Hays County, Texas. The subject neighborhood can best be defined by the following boundaries: a line connecting the county line and Wonder World Drive to the north, Wonder World Drive to State Highway 123 to the east, Old Bastrop Highway to the south, and the county line to the west. These boundaries have been selected as they tend to include properties which exhibit similarities in such aspects as physical characteristics, land use, amenities and supportive employment. Those forces affecting value and land use of the subject property would also be expected to influence properties within the neighborhood delineation, thus supporting the neighborhood boundaries. The neighborhood is in the southern portion of the City of San Marcos. The neighborhood is considered to be approximately 50 to 60 percent built-up, with land available for in-fill development in much of the area.

The neighborhood is accessed by Interstate Highway 35, State Highway 123, and Hunter Road as well as other secondary thoroughfares. Interstate Highway 35 and Hunter Road traverse the area in a north/south direction. Hunter Road from Centerpoint Road north into San Marcos was recently widened to a four lane thoroughfare. Primary east-west access to the neighborhood is provided by McCarty Lane, Centerpoint Road, and Wonder World Drive with additional access provided by secondary carriers. Access through and into the neighborhood is considered to be good. The M.K.T. Railroad extends through the neighborhood between Hunter Road and Interstate Highway 35.

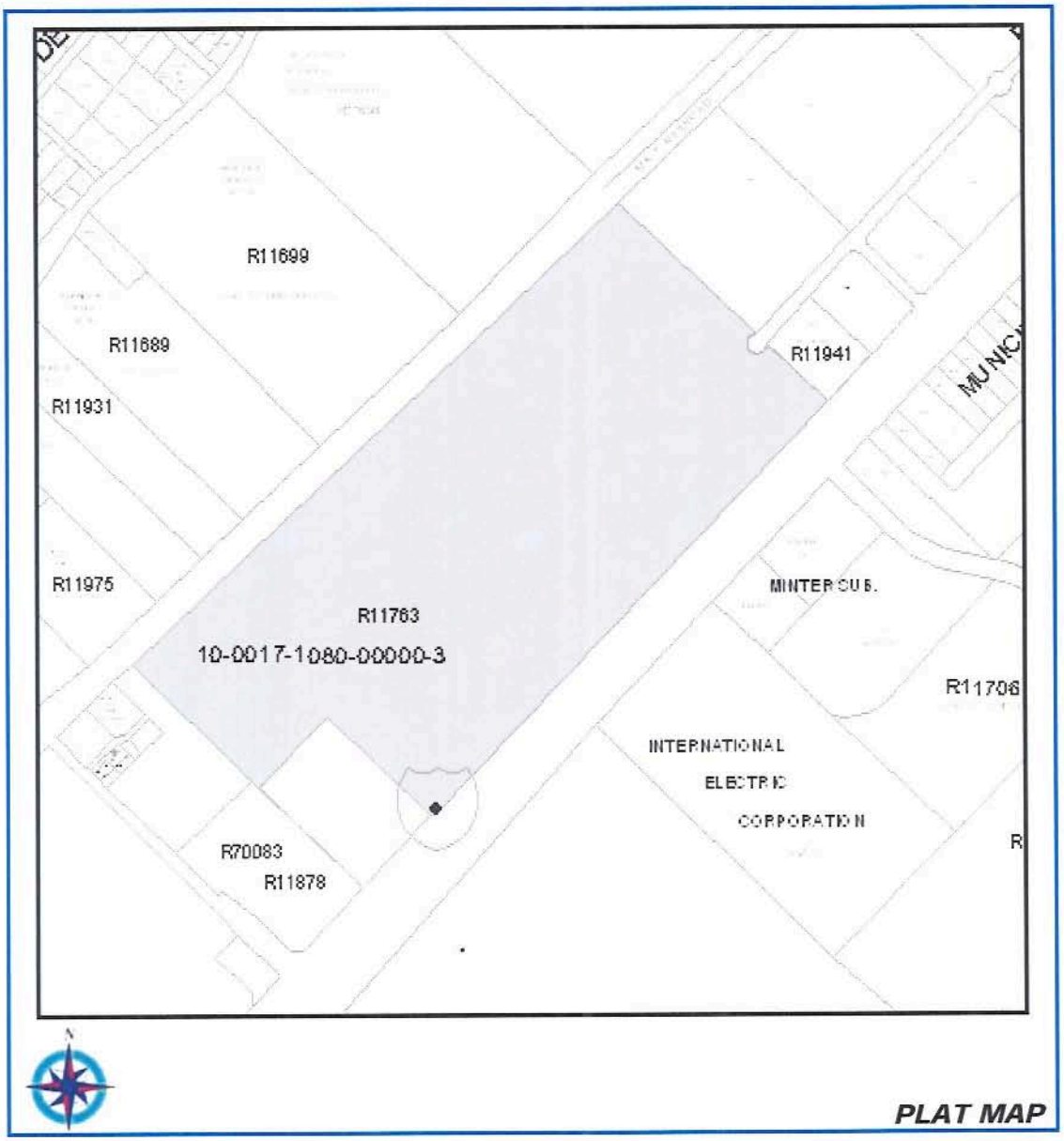
NEIGHBORHOOD ANALYSIS

Currently, land uses within the neighborhood are somewhat varied, with commercial developments including convenience stores, gas stations, restaurants/fast food, office buildings, retail centers, an outlet mall, and vacant land. The San Marcos Outlet Malls are the largest factory outlet shopping centers in Texas. According to the Texas Department of Economic Development and Tourism, the San Marcos Outlet Malls have been the third most visited destination in Texas since 1999. Single family housing is mostly along secondary carriers, while recent commercial development is concentrated along primary thoroughfares. Trammell Crow is currently planning a 400,000 SF development on the ±73 acre site at the corner of Centerpoint and IH 35 which will consist of two-thirds retail and one-third apartments. The northern portions of the neighborhood are well developed with single and multi-family properties as well as commercial development along Interstate Highway 35 and State Highway 123. Currently there is a significant amount of vacant land in the southern portions of the neighborhood.

Municipal utilities are available throughout the neighborhood and include water, electricity, telephone service, and wastewater. However, at present wastewater service is only available to those properties that lie within the city limits of San Marcos. Private septic systems are used where public wastewater service is not available.

In conclusion, the neighborhood can be characterized as primarily commercial along main thoroughfares with residential development along secondary carriers. Land for commercial development appears to be available along the main corridors. The continued expansion/development of the neighborhood and its desirability is expected to remain strong for several years as new development is completed. Therefore, both controlled growth and appreciation are expected to occur in the future as the neighborhood takes advantage of the current market conditions, the desirability of the neighborhood and the availability of suitable development sites.

AERIAL PHOTOGRAPH


R11699
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R11975
R11763
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MINTER CU S.
R11706
INTERNATIONAL
ELECTRIC
CORPORATION
R70083
R11878
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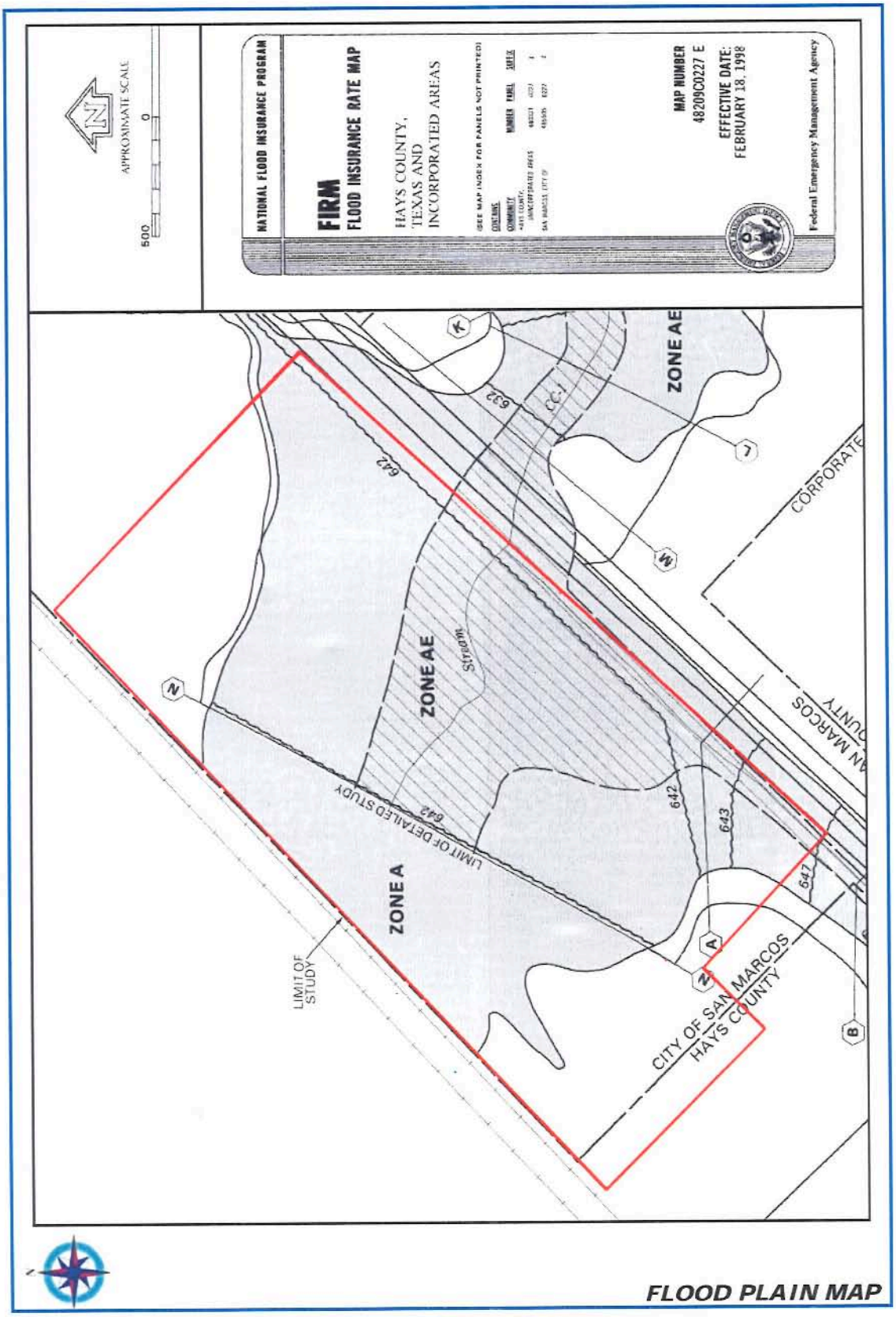
PLAT MAP



FLOOD PLAIN MAP

SITE DESCRIPTION AND ANALYSIS

Location:	West side of Interstate Highway 35, north of McCarty Lane, San Marcos, Hays County, Texas
Map Reference:	Mapsco Map Page: 5C/117U
Size:	112.00 acres
Shape:	Irregular
Frontage:	Interstate Highway 35: ±2,925 feet M.K.T. Railroad: ±3,415 feet Interstate Highway 35 in the vicinity of the subject is is a six lane, asphalt paved, primary thoroughfare with two, one-way frontage lanes. M.K.T. Railroad in the vicinity of the subject is is a two rail line extending parallel between Hunter Road and IH-35.
Access/Visibility:	The subject site is accessible from Interstate Highway 35 and is afforded good visibility from this roadway.
Topography:	The tract is basically level to gently sloping. The property slopes slightly toward the creek bed that bisects the center of the property.
Subsoil Conditions and Drainage:	An engineering study to determine the soil and subsoil conditions has not been furnished. Upon inspection of the subject and surrounding improvements, soil conditions appear adequate to support development of the subject property with adequate engineering. Overall, drainage appears adequate.
Flood Plain:	The subject property lies within the area mapped by Flood Insurance Rate Map Panel 48209C0227 E, Hays County, dated February 18, 1998 as supplied by the Federal Emergency Management Agency. The subject appears to be located within Zone AE, an area determined to be in the 100 year floodplain, Zone A, an area determined to be in the 100 year floodplain and Zone X, an area determined to be outside the 100 year floodplain. Based on our review of this map, ±75% of the site is within the flood plain. The 100 year flood plain is concentrated in the central portions of the tract with the entire frontage along IH 35 being encumbered by the flood plain. The area along the creek bed is encumbered by Zone AE (flood way). This portion is approximately 20 – 25% of the entire tract.
Utilities:	All utilities available. Electricity, water, and wastewater are provided by the City of San Marcos. Telephone is provided by CenturyTel.
Additional Public Services:	Fire, police and emergency medical services are provided by the City of San Marcos.

Zoning:	HI - Industrial. This zoning allows for industrial, manufacturing, and warehouse uses as well as some commercial uses. Retail buildings greater than 100,000 SF are allowed on a conditional use basis. Retail under 100,000 SF is not allowed. According to Andy Alarcon with the City of San Marcos Planning and Zoning Department, rezoning to commercial is not likely. The Planning and Zoning Commission are looking to strike a balance between commercial zoning and industrial zoning. They are currently looking to keep industrial zoning in place in order to attract larger industry into the area. As such, it is currently not likely of changing an industrial zoning into a commercial zoning or vice versa. If a specific plan were brought before the commission, the chances of rezoning would be greater than if one were trying to get blanket rezoning.
Land Use Restrictions:	We were not provided with a title policy. A search of the Hays County Deed Records did not reveal any adverse restrictions. However, appraisers are not generally qualified to perform title searches. There are no known deed restrictions, either public or private, that would limit the utilization of the subject property. This statement should not be taken as a guarantee or warranty that no such restrictions exist. Deed and title examination by a competent attorney is recommended should any questions arise regarding restrictions. We have assumed no adverse deed restrictions exist.
Easements and Encumbrances:	The property is encumbered by typical easements for public utilities.
Environmental/Toxic Waste:	This appraisal report assumes no soil contamination exists within or on the subject property. Any environmental issues, including endangered species and endangered species natural habitats, which would pertain to the subject property are unknown. Typically, real estate appraisers are not qualified nor are they experts in detecting hazardous materials, radiological materials, archeological resources, etc.; therefore, an expert in these fields should be consulted for opinions on these matters. This report assumes no environmental hazards or special resources exist within or on the subject property.
Improvements:	The subject is currently vacant.
Surrounding Properties:	The property is surrounded by Gulf Business Forms and vacant land beyond the railroad to the north, IH 35 and Cecil Atkinsson Pontiac/GMC to the east, the Gillman Mitsubishi and single family residences to the south, and M.K.T. Railroad with vacant land beyond the railroad to the west.

ANALYSIS OF DATA

Highest and Best Use can be defined as:

"The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value."[3]

In determining the highest and best use of the subject property, careful consideration was given to the economic, legal, and social factors which motivate investors to develop, manage, own, buy, sell, and lease real estate.

The highest and best use of land as though vacant, and as improved, must meet four criteria.

- **Physically Possible** - What uses of the site in question are physically possible?
- **Legally Permissible** - What uses are permitted by private restrictions, deed restrictions, zoning, building codes, historic district controls, and environmental regulations?
- **Financially Feasible** - Which physically possible and legally permissible uses are likely to produce an income, or return, equal to or greater than the amount needed to satisfy operating expenses, financial obligations, and capital amortization?
- **Maximally Productive** - Among the financially feasible uses, which will produce the highest net return or highest present worth of the site?

Previous sections of this report, with primary emphasis on the *Neighborhood Analysis, Site Description & Analysis* and *Subject Property Zoning* sections, were utilized in order to render a judgment as to the highest and best use of the site, as vacant.

Highest and Best Use, As Vacant

Physically Possible

The first constraint is dictated by the physical attributes of the property itself. The subject is located at the west side of Interstate Highway 35, north of McCarty Lane, San Marcos, Hays County, Texas. It contains 112.00 acres with ±2,925 feet of frontage on Interstate Highway 35 and ±3,415 feet of frontage on the M.K.T. Railroad. The site is basically level to gently sloping. According to available maps, ±75% of the site is within the flood plain. The site has all utilities available.

Therefore, from a physical standpoint, it the flood plain appears to be the only major detriment to the site.

Legally Permissible

Legal restrictions, as they apply to the subject are private restrictions such as easements, and public restrictions such as zoning. Also considered within the context of Legally Permissible is conformity with surrounding properties. There are no known deed restrictions which would significantly limit the development alternatives of the property.

In consideration of zoning, the subject property is zoned HI, Industrial. This zoning allows for industrial, manufacturing, and warehouse uses as well as some commercial uses.

[3] *The Appraisal of Real Estate, 12th Edition*, (Chicago: Appraisal Institute, 2001), p.305.

Conformity is the appraisal principle that holds that real property value is created and sustained when the characteristics of a property conform to the demands of the market. The principle of conformity can also greatly influence the determination of highest and best use. This principle states that the best use of the site is made when the use is reasonably similar to surrounding land uses so that there is no abrupt or inappropriate change from one category to another. The area around the subject is varied but primarily agricultural and single family developments. The most proximate projects include single-family development.

In summary, the legally permissible component of the highest and best use is considered to point development toward industrial development due to its zoning, compatibility and surrounding uses.

Financially Feasible and Maximally Productive

This section requires that the forces of supply and demand be in balance, and that the property developed will provide sufficient income to return profit to the land. As indicated in the N*eighborhood Analysis* section of this report, the subject's immediate area is located within the City of San Marcos. In this instance, an industrial development would be considered compatible with the surrounding development, as these types of users already exist in the subject's area. Therefore, an industrial development is considered to be the most reasonable use of the site and generate the highest return for the land.

Highest and Best Use Conclusion, As Vacant

Considering all of the factors which influence highest and best use, it is our opinion that the subject site, as vacant would best be used for industrial development.

APPRAISAL PROCESS

In estimating the value of real property, there are three recognized approaches or techniques that, when applicable, can be used to process the data considered significant to each into separate value indications. In all instances the experience of the appraisers, coupled with objective judgment, plays a major role in arriving at the conclusions of indicated value from which the final estimate of value is made.

The three approaches are commonly known as:

The Cost Approach - An estimate of the present reproduction cost of the improvements, less accrued depreciation, plus land value. Depreciation includes all loss in value of the improvements due to physical deterioration, functional obsolescence, and economic obsolescence.

The Sales Comparison Approach - Comparison with similar properties that have sold in the market. This Approach can be applied to land alone or to improved properties.

Income Capitalization Approach - Capitalization of the net income that the property can produce. This Approach is applicable only to income producing properties.

In the analysis of the subject property the Cost Approach, Sales Comparison Approach and Income Capitalization Approach were considered. As the subject is vacant land, the Cost Approach and the Income Approach are not considered to be applicable. Therefore, only the Sales Comparison Approach has been developed herein.

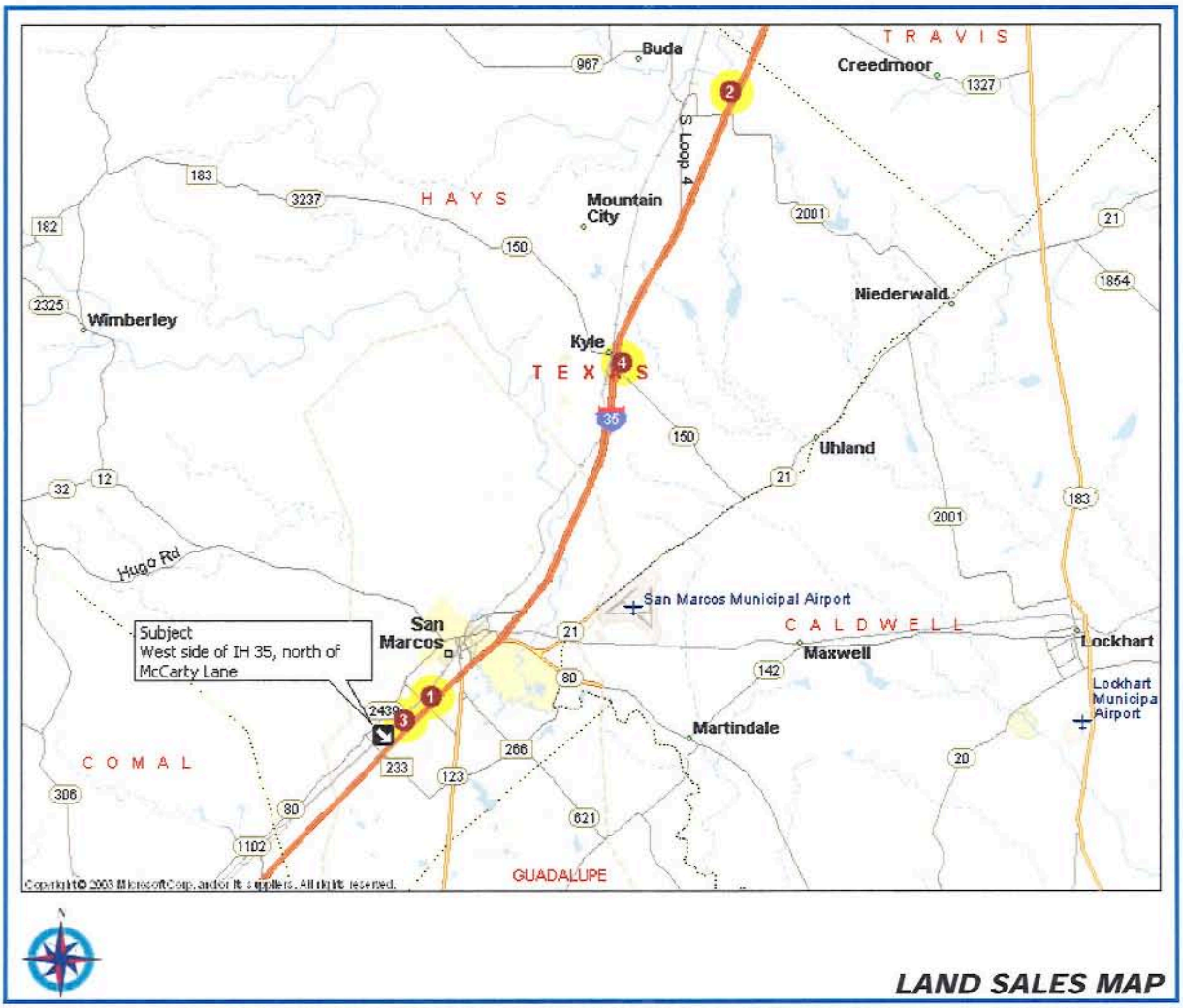
THE SALES COMPARISON APPROACH

THE SALES COMPARISON APPROACH

The Sales Comparison Approach will be utilized to estimate the fee simple value of the subject site. This approach is considered the most valid indicator in estimating the market value of unimproved land not typically leased in the marketplace. In valuing property via this approach, as many land sales as possible are gathered and the most comparable are used for comparison. Since properties are seldom identical, the comparable sales must be adjusted to the subject for differences in time, location, and physical characteristics to indicate a value for the subject tract.

When valuing real estate via the Sales Comparison Approach, the subject and comparables must be broken down into units of comparison. Units of comparison for vacant land include price per front foot, price per lot, price per acre (buildable or total), price per square foot (buildable or total) and price per buildable unit. The method of comparison is based on the method typically used to purchase vacant tracts in a given area. The price per SF appears prevalent in the area and will be the unit of comparison in our valuation of the subject site.

In undertaking our research efforts, we made a diligent search of the subject's neighborhood for properties that had sold or that were under contract. The search for comparables included investigating Hays and Travis County deed records, numerous conversations with local brokers and property owners and a review of sales contained in our office. Our search included searching for vacant land tracts that exhibited similar characteristics. We searched for large acre commercial/industrial tracts in the area as well as smaller tracts with similar zonings and with railroad frontage. Included on the following page is a summary of the documented land sales that have been used in estimating the value of the subject. A location map has also been included.



LAND SALES MAP

LAND SALES SUMMARY					
#	LOCATION	DATE OF SALE	$/SF	LAND SIZE (ACRES)	ZONING
1	West side of IH 35, north of Wonder World Drive (1930 S IH 35), San Marcos, Texas	07/12/04	$1.28	6.390	LI
2	West side of IH 35, south of Loop 4, Buda, Hays County, Texas	07/08/04	$1.85	126.286	C1
3	Northwest line of Barnes Drive, northeast of Chisos Drive, San Marcos, Hays County, Texas	12/05/03	$1.00	19.956	LI
4	NEC of IH 35 and FM 150, Kyle, Hays County, Texas	06/05/03	$1.78	51.139	RS
Subject	West side of Interstate Highway 35, north of McCarty Lane, San Marcos, Hays County, Texas			112.00 acres	HI

Source: Atrium Real Estate Services 7/2005

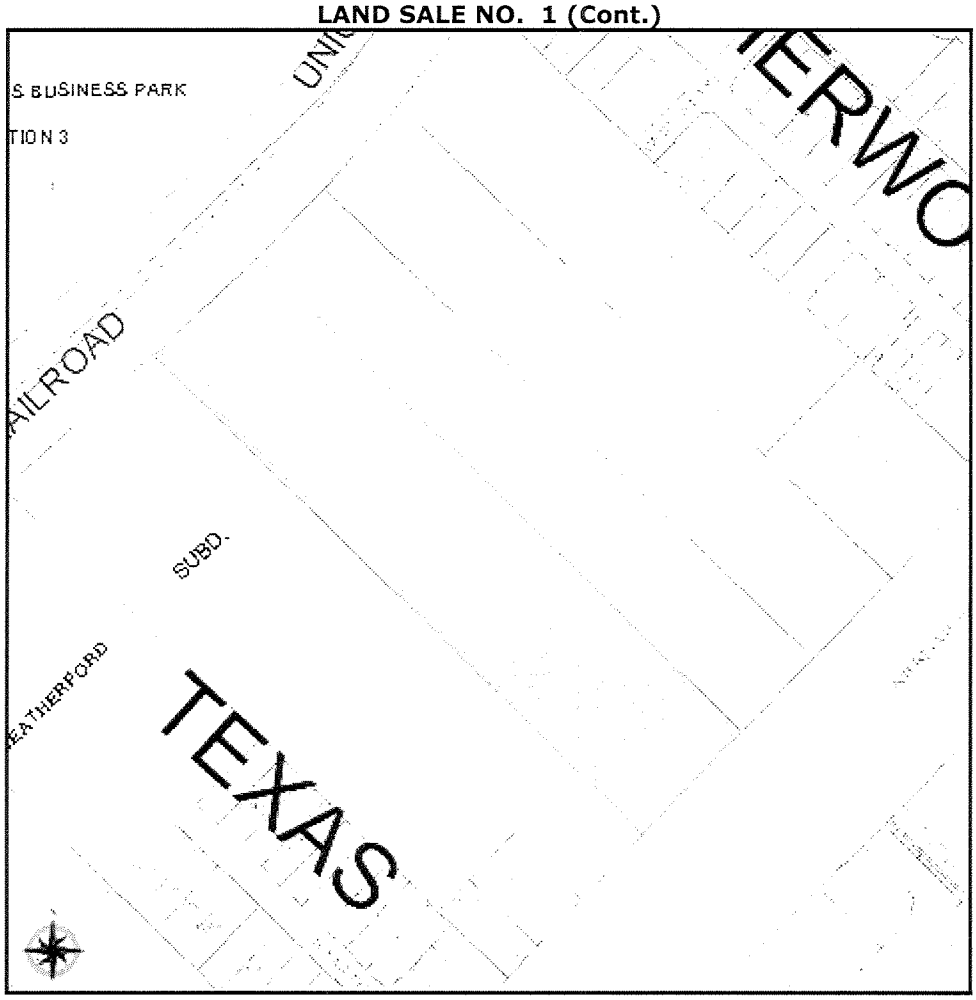
LAND SALE NO. 1

Property Identification	
Record ID	604
Property Type	Industrial
Address	West side of IH 35, north of Wonder World Drive (1930 S. IH 35), San Marcos, Hays County, Texas
Tax ID	R91916
Map Page/Grid	5C/118F
Sale Data	
Grantor	Bounty Oil & Gas, Inc.
Grantee	Park Adventure - Wonder World, LP
Sale Date	July 12, 2004
Deed Book/Page	2508/251
Marketing Time	Not disclosed
Financing	Cash to seller
Deed Reviewed	7/05, RHW; Date Inspected: 7/14/05, LRJ/RHW
Verification	Don Garrett, Randall Morris Real Estate, (512) 353-1776, July 14, 2005; Confirmed by RHW
Sale Price	$354,900
Land Data	
Zoning	LI, Light Industrial
Topography	Basically level
Utilities	All available to site
Shape	Rectangular
Flood Info	None noted
Easements	No adverse easements
Improvements	Vacant at time of sale
Intended/Current Use	Commercial building/Vacant
Land Size Information	
Gross Land Size	6.390 Acres or 278,348 SF
Front Footage	Interstate Highway 35 - 243 feet; MKT Railroad - 243 feet
Indicators	
Sale Price/Gross Acre	$55,540
Sale Price/Gross SF	$1.28

Legal Description
All of Lot Thirteen - A (13-A), the Plat of Lots 13A and 14B, of the Weatherford Subdivision, Hays County, Texas

Remarks
The property was purchased to construct a commercial building. The property is located on the west side of IH 35 between SH 123 and Wonder World Drive.

LAND SALE NO. 1 (Cont.)



LAND SALE NO. 2

Property Identification	
Record ID	495
Property Type	Commercial
Address	West side of IH-35, south of Loop 4, Buda, Hays County, Texas
Tax ID	R10691, R10690, R10689, R10688 & R10761
Map Page/Grid	3D/63A
Sale Data	
Grantor	Don Lehman Rylander
Grantee	Cabela's Retail TX, LP
Sale Date	July 8, 2004
Deed Book/Page	2501/674
Marketing Time	Not disclosed
Financing	Cash to seller
Deed Reviewed	4/05, RHW; Date Inspected: 4/8/05, LRJ/RHW
Verification	Warren Ketteman, Buda Economic Development Board, (512) 295-2022, August 14, 2005; Confirmed by RHW
Sale Price	$10,200,000
Land Data	
Zoning	C1, Commercial
Topography	Basically level
Utilities	All available to site
Shape	Irregular
Flood Info	None noted
Easements	No adverse easements
Improvements	Vacant at time of sale
Intended/Current Use	Cabela's Retail Store/Under Construction
Land Size Information	
Gross Land Size	126.286 Acres or 5,501,018 SF
Front Footage	IH-35 - 1,385 feet; Loop 4 - 1,500 feet; Old San Antonio Road - 435 feet
Indicators	
Sale Price/Gross Acre	$80,769
Sale Price/Gross SF	$1.85

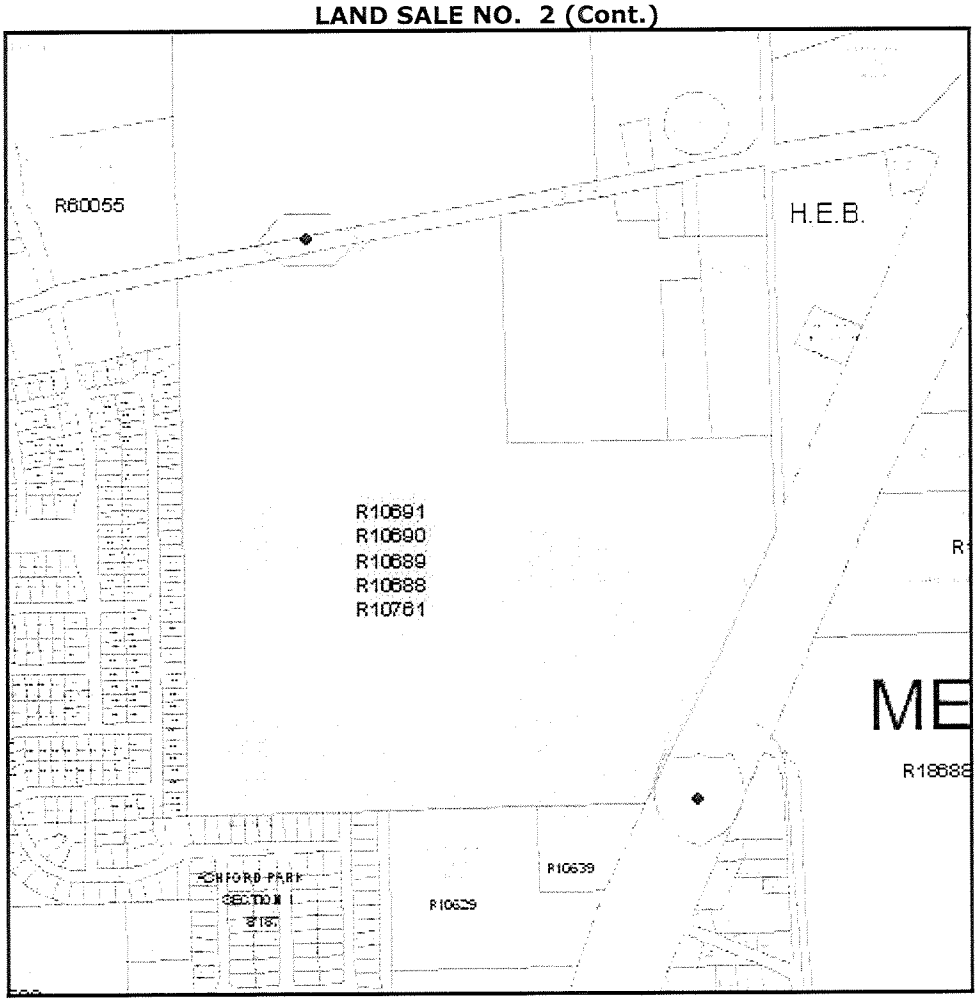
Legal Description

115. 854 acres of land out of the S.V.R. Eggleston League, Hays County, Texas
10.432 acres of land out of the S.V.R. Eggleston League, Hays County, Texas

Remarks

The site was purchased to construct a 185,000 SF retail store which is under construction. The store is expected to open in June of 2005. The property wraps the corner of Interstate Highway 35 and Loop 4. The property was recorded in two separate deeds with ±116 acres being recorded in Vol. 2501, Pg. 674 and ±10 acres being recorded in Vol. 2501, Pg. 688.

LAND SALE NO. 2 (Cont.)



LAND SALE NO. 3

Property Identification

Record ID	229
Property Type	Industrial
Address	Northwest line of Barnes Drive, just northeast of Chisos Drive, San Marcos, Hays County, Texas
Tax ID	R45652
Map Page/Grid	5C/117V

Sale Data

Grantor	Thermon Manufacturing Co.
Grantee	K-W Construction Co.
Sale Date	December 5, 2003
Deed Book/Page	2304/658
Marketing Time	Not disclosed
Financing	Cash to seller
Deed Reviewed	3/04, RHW; Date Inspected: 3/18/04, LRJ/RHW
Verification	Eleanor Cates, Broker, Randall Morris and Associates, (512) 353-1776, March 23, 2004; Confirmed by RHW
Sale Price	$868,891

Land Data

Zoning	LI, Light Industrial
Topography	Basically level
Utilities	All available to site
Shape	Basically rectangular
Flood Info	None noted
Easements	No adverse easements
Improvements	Vacant at time of sale
Intended/Current Use	Office-Warehouse/Vacant

Land Size Information

Gross Land Size	19.956 Acres or 869,283 SF
Front Footage	Barnes Drive - 975 feet; Union Pacific Railroad - 969 feet

Indicators

Sale Price/Gross Acre	$43,540
Sale Price/Gross SF	$1.00

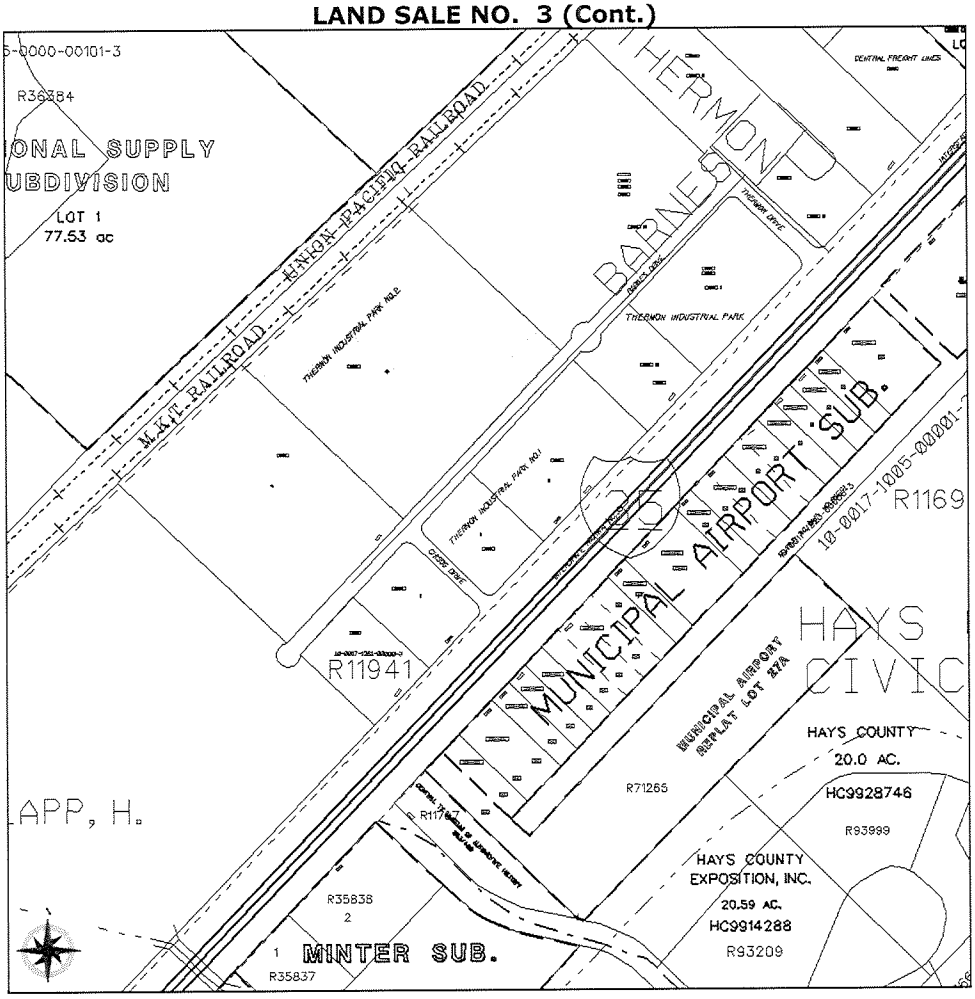
Legal Description

Being all of Lot Two (2), Block No. Three (3), Thermon Industrial Park, No. 2, Unit Two, Hays County, Texas

Remarks

The broker stated that the property was purchased to construct an office/warehouse building. The property site is located in the Thermon Industrial Park which includes a combination of commercial properties as well as light industrial properties. The site has convenient access to Interstate Highway 35.

LAND SALE NO. 3 (Cont.)



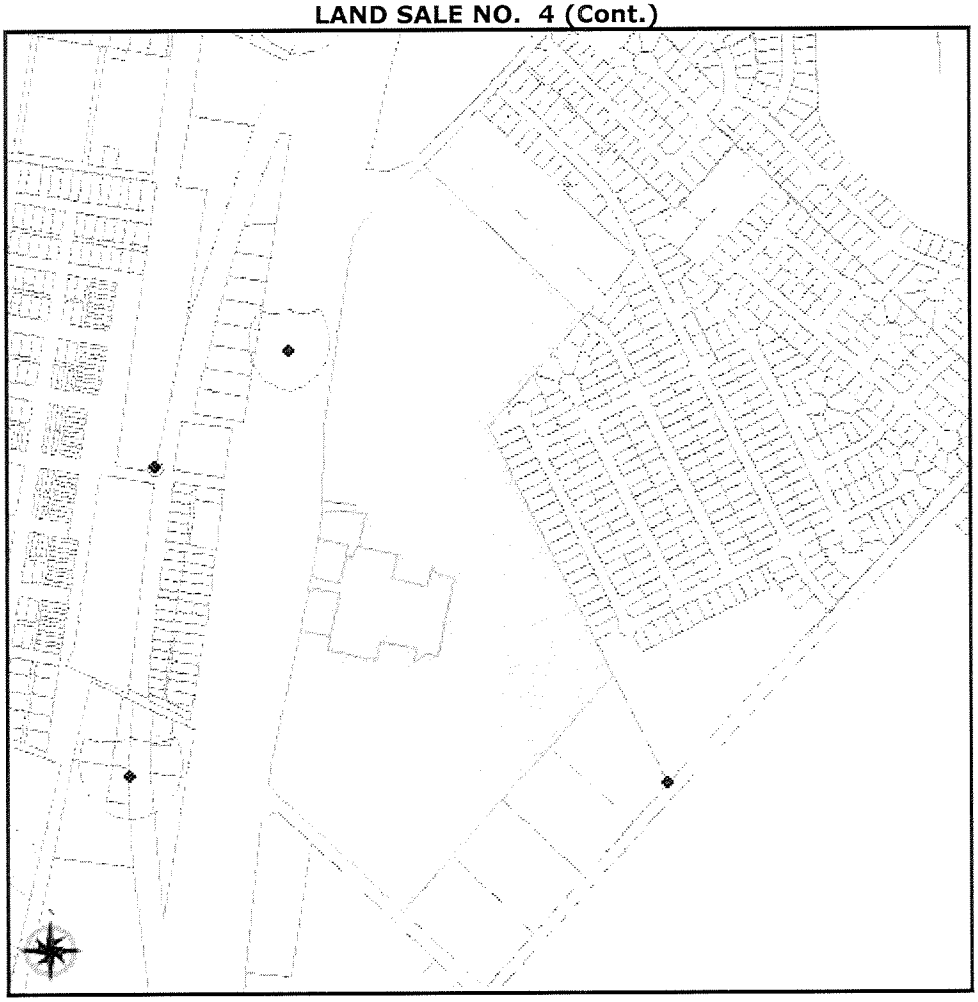
LAND SALE NO. 4

Property Identification	
Record ID	603
Property Type	Retail
Address	NEC of IH 35 and FM 150 (22641 IH 35), Kyle, Hays County, Texas
Tax ID	R114181 - R114187
Map Page/Grid	4C/88W
Sale Data	
Grantor	Blackhawk Center, LP
Grantee	Kyle 35 Retail, Ltd.
Sale Date	June 5, 2003
Deed Book/Page	2237/769
Marketing Time	Not disclosed
Financing	Cash to seller
Deed Reviewed	7/05, RHW; Date Inspected: 7/14/05, LRJ/RHW
Verification	Appraisal files, July 7, 2005; Confirmed by RHW
Sale Price	$3,956,557
Land Data	
Zoning	RS, Retail Services
Topography	Basically level to gently rolling
Utilities	All available to site
Shape	Irregular
Flood Info	±10% lies in the 100 year flood plain
Easements	No adverse easements
Improvements	Vacant at time of sale
Intended/Current Use	HEB Grocery Store/Under Construction
Land Size Information	
Gross Land Size	51.139 Acres or 2,227,615 SF
Front Footage	Interstate Highway 35 - 2,900 feet; FM 150 - 945 feet; Goforth Road - 370 feet
Indicators	
Sale Price/Gross Acre	$77,369
Sale Price/Gross SF	$1.78

Legal Description
51.139 acres of land situated in the Z. Hinton Survey, Abstract No. 220, Hays County, Texas

Remarks
The property was purchased to build a HEB Grocery Store. Pad sites are being carved off of the frontage of IH 35 and sold. The property is located in a rapidly growing residential area with many new subdivisions being developed along FM 150.

LAND SALE NO. 4 (Cont.)



LAND SALES SUMMARY					
#	LOCATION	DATE OF SALE	$/SF	SIZE (ACRES)	COMMENTS
1	West side of IH 35, north of Wonder World Drive (1930 S IH 35), San Marcos, Texas	07/12/04	$1.28	6.390	The property was purchased to construct a commercial building. The property is located on the west side of IH 35 between SH 123 and Wonder World Drive.
2	West side of IH 35, south of Loop 4, Buda, Hays County, Texas	07/08/04	$1.85	126.286	The site was purchased to construct a 185,000 SF retail store which is under construction. The store is expected to open in June of 2005. The property wraps the corner of Interstate Highway 35 and Loop 4.
3	Northwest line of Barnes Drive, northeast of Chisos Drive, San Marcos, Hays County, Texas	12/05/03	$1.00	19.956	The broker stated that the property was purchased to construct an office/warehouse building. The property site is located in the Thermon Industrial Park which includes a combination of commercial properties as well as light industrial properties. The site has convenient access to Interstate Highway 35.
4	NEC of IH 35 and FM 150, Kyle, Hays County, Texas	06/05/03	$1.78	51.139	The property was purchased to build a HEB Grocery Store. Pad sites are being carved off of the frontage of IH 35 and sold. The property is located in a rapidly growing residential area with many new subdivisions being developed along FM 150.
Subject	West side of Interstate Highway 35, north of McCarty Lane, San Marcos, Hays County, Texas			112.00 acres	The tract is basically level to gently sloping with ±75% of the site within the 100 year flood plain.

Source: Atrium Real Estate Services 7/2005

THE ADJUSTMENT PROCESS

In order to narrow the range of sale prices indicated by the comparable sales, adjustments will be made to the sales for differing characteristics. The adjustments will be applied based on the number of rating categories of difference between the comparable sale and the subject. For example, a slightly inferior rated sale differs from the subject by one rating category, while an inferior rated sale differs from the subject by two rating categories. The adjustment process will begin with a discussion of the property rights.

Property Rights Conveyed - The transaction price of a sale is always based on the real property interest conveyed. In this instance, an adjustment for this attribute is not considered necessary.

Terms of Sale/Financing - The sales price of a property may differ from that of an identical property due to different financing terms. An adjustment for cash equivalency is not warranted.

Conditions of Sale - This category reflects the motivations of the buyer and seller. In many instances, the conditions surrounding a sale can greatly impact the final sales price. No adjustments for conditions of sale appear to be warranted.

Market Conditions/Time - The sale comparables utilized in the present analysis ranged in date of sale from 06/05/03 to 07/12/04. The subject neighborhood is experiencing growth and new development over the past few years. Redevelopment of large acreage tracts into small pad sites is positively impacting the commercial market. Based on our discussion with area brokers and considering the sale prices of the comparables arranged according to date of sale, it does appear that an adjustment for this characteristic is warranted. Considering the general trends in the market, an annual increase of 5% per year to the effective date of this appraisal will be applied in this analysis.

Location - The following Table summarizes the location ratings:

LOCATION RATINGS

Sale	Location	Rating
1	West side of IH 35, north of Wonder World Drive (1930 S IH 35), San Marcos, Texas	Similar
2	West side of IH 35, south of Loop 4, Buda, Hays County, Texas	Sl Inferior
3	Northwest line of Barnes Drive, northeast of Chisos Drive, San Marcos, Hays County, Texas	Inferior
4	NEC of IH 35 and FM 150, Kyle, Hays County, Texas	Sl Inferior
Subject	West side of Interstate Highway 35, north of McCarty Lane, San Marcos, Hays County, Texas	

Based on the general location characteristics of the properties, an adjustment for location appears necessary. Based on the general locational differences of the comparables, we have reconciled to an adjustment of ±10% per rating category. These adjustments are considered to be sufficient to account for the locational differences between the sales and the subject property.

Physical Characteristics:

Included in the physical characteristics adjustments are various categories including size of properties, improvements on the property, entitlements, easements, topography, utilities, flood plain, zoning, etc. The following summarizes those characteristics which require adjustment.

Size: The size of the property is 112.00 acres while the sales range in size from 117.510 acres to 417.930 acres. Based on the variation in size of the properties, an adjustment for size appears necessary. Considering the general size differences of the comparables, we have reconciled to an adjustment of ±5% per doubling. These adjustments are considered to be sufficient to account for the size differences between the sales and the subject property.

Size Ratings		
Sale	Size (acres)	Doublings/Rating
1	6.390 acres	Far Superior/4.0
2	126.286 acres	Similar/0
3	19.956 acres	Superior/2.0
4	51.139 acres	Sl Superior/1.0
Subject	112.00 acres	------

Topography/Flood Plain: The subject has a basically level to gently sloping topography with ±75% in the 100 year flood plain. None of the comparables had substantial flood plain. Sale 4 had minimal flood plain at the rear of the tract. As such, all of the comparable sales are considered far superior to the subject and have been adjusted 40% for this characteristic, which is considered reasonable. No further adjustments were considered necessary.

Zoning: The subject is currently zoned HI - Industrial. Sale 2 is zoned commercial and Sale 4 is zoned retail services. The subject cannot have any retail building under 100,000 SF under its current zoning. As such, Sale 2 and Sale 4 are considered superior to the subject and have been adjusted 10% for this characteristic. No further adjustments are considered to be warranted.

Utilities: The subject is currently provided all utilities available. All of the comparables sales had similar utilities and therefore no adjustments were considered to be warranted.

Shape/Frontage: The subject has ±2,925 feet on Interstate Highway 35 and ±3,415 feet on the M.K.T. Railroad. All of the comparables sales had similar frontages except Sale 1. Sale 1 is a long narrow tract with minimal frontage. As such, Sale 1 has been adjusted 20% for this characteristic.

Other Characteristics: The sales were considered to be relatively similar for other characteristics. As such, no further adjustments were considered necessary. The adjusted values of the sales have been summarized in the following adjustment grid.

ADJUSTMENT GRID				
	Sale 1	**Sale 2**	**Sale 3**	**Sale 4**
Sale Price/SF	$1.28	$1.85	$1.00	$1.78
Property Rights Conveyed	0%	0%	0%	0%
Adjusted $/SF	$1.28	$1.85	$1.00	$1.78
Conditions of Sale/Financing	0%	0%	0%	0%
Adjusted $/SF	$1.28	$1.85	$1.00	$1.78
Date of Sale	7/20/2004	7/8/2004	12/5/2003	6/5/2003
Market Conditions/Time	+5%	+5%	+8%	+10%
Adjusted $/SF	$1.34	$1.94	$1.08	$1.96
Location Adjustment	0%	+15%	+30%	+15%
Physical Adjustment				
Size adjustment	-20%	0%	-10%	-5%
Flood Plain/Topo adj	-40%	-40%	-40%	-40%
Zoning adjustment	0%	-10%	0%	-10%
Utilities adjustment	0%	0%	0%	0%
Shape/Frontage adj	+20%	0%	0%	0%
Other Adjustment	0%	0%	0%	0%
Net Location & Physical Characteristics Adjustment	-40%	-35%	-20%	-40%
Adjusted $/SF	**$0.80**	**$1.26**	**$0.86**	**$1.18**

Reconciliation and Value Estimate

In estimating the fee simple value of the subject via this approach, four closed sales were considered. These data were analyzed and adjusted, suggesting a value estimate for the subject property between $0.80/SF and $1.26/SF. The following outlines our estimate of the market value of the fee simple interest in the subject property, as vacant:

112.00 acres x 43,560 SF x $1.05/SF= $5,122,656

RECONCILIATIONS & QUALIFICATIONS

RECONCILIATION OF VALUE ESTIMATE

In the preceding sections of this report, an indication of the subject's market value was estimated. The analysis and results of the investigation are submitted in this appraisal report which has been prepared in conformity with the requirements of the *Code of Professional Ethics and the Standards of Professional Appraisal Practice* of the APPRAISAL INSTITUTE, the *Uniform Standards of Professional Appraisal Practice* as promulgated by the APPRAISAL FOUNDATION, as well as the requirements of the STATE OF TEXAS for State-Certified General Real Estate Appraisers.

In determining the market value of the of the subject property, we made a diligent search of the subject's neighborhood for properties that had sold or that were under contract. The search for comparables included investigating Hays and Travis County deed records, numerous conversations with local brokers and property owners and a review of sales contained in our office. Our research included searching for vacant land tracts that exhibited similar characteristics.

MARKET VALUE ESTIMATE - The fee simple market value for the subject property, as of July 14, 2005, was as follows:

Five Million One Hundred Twenty Two Thousand Six Hundred Fifty Six Dollars ($5,122,656)

Please note: This value conclusion is specifically limited by the *Basic Assumptions and Limiting Conditions*, with emphasis on the *Extraordinary Assumptions* as detailed at the beginning of this appraisal report.

Exposure Period - Based on our understanding of exposure time, it is generally described as the amount of time necessary to expose a property to the open market to achieve a sale. Based on information gathered for this appraisal, the exposure period for the fee simple interest in the subject property would have been 12 months or less.

QUALIFICATIONS OF LORY R. JOHNSON, MAI

ASSOCIATIONS/STATE CERTIFICATIONS

Texas Certified General Real Estate Appraiser #TX-1321640-G
Member of the Appraisal Institute (MAI) #09346
Member of Austin Chapter of the Appraisal Institute
2005 Board of Director as Education Chair Austin Chapter of the Appraisal Institute
2003 Past President of the Austin Chapter of the Appraisal Institute
2003/2004 Regional Representative (Region VIII) of the Austin Chapter Appraisal Institute
2003/2004 Member of the Nominations Committee for Region VIII of the Appraisal Institute
2002/2003 Member of the General Demonstration Reports Subcommittee Appraisal Institute
2002 President of the Austin Chapter of the Appraisal Institute
2004/2005 Board of Director of Austin Chapter of the Appraisal Institute
1999-2002 Officer of the Austin Chapter of the Appraisal Institute
2000-2005 Chair of the Education Committee of the Austin Chapter of the Appraisal Institute
1996/1997/1998 Director for the Austin Chapter of the Appraisal Institute
1993-2005 Various Committee Chairs for the Austin Chapter of Appraisal Institute
1995/1996/1997 Region VIII Regional Ethics & Counseling Panel - Appraisal Institute
Member of the International Right of Way Association, Chapter #74
2004/2005 Chair of the Newsletter Committee - Austin IRWA Chapter #74
1995 Chair of Valuation Committee - Austin IRWA Chapter #74
Designated Member of the Austin Board of Realtors
Texas Real Estate Broker's License #354928

EDUCATION

Bachelor of Science Degree, Ag Economics, Texas A&M University, 1986
Graduate courses in the Masters of Business Administration program, St. Edwards University
Numerous Appraisal Institute professional courses as well as a large variety of real estate appraisal related continuing education courses and seminars completed.

PROFESSIONAL BACKGROUND

* October 1991 to present: President of Atrium Real Estate Services, a full service commercial and residential real estate appraisal and consulting company.
* Nov 1986 to August 1991: Appraiser w/ McCluskey-Jenkins and SW Property Consultants

Appraisal background includes consulting, analysis and valuation of various commercial properties including single and multi-tenant commercial/retail buildings, shopping centers, restaurants, mini-storage facilities, apartment complexes, condominiums, multi-tenant office buildings, special purpose properties (marinas, cemetery, retirement centers, veterinary clinic, nursing home, etc.), vacant land, and various commercial properties for eminent domain purposes including single and multi- parcel right of way expansion and easement acquisition projects. Easement valuations on numerous property types of various easement interests (conservation, temporary construction, ingress/egress, utility, inundation, etc.) have also been completed. In addition, appraisals of single family residences and comprehensive desk and/or field reviews and TXDOT A-10 reviews have been completed on numerous residential and commercial properties as well as counseling and expert testimony in regards to consulting assignments and litigation support services.

ASSOCIATIONS/STATE CERTIFICATIONS

Texas Certified General Real Estate Appraiser #TX-1333170-TRAINEE
Member of the International Right of Way Association, Chapter #74

EDUCATION

Bachelor of Arts Degree, Economics, University of Texas at Austin, 2003
* Graduate with honors

Real estate appraisal related courses at the Appraisal Institute, including:
* Appraisal Institute Appraisal Procedures (Course 120)
* USPAP (Course 410)

PROFESSIONAL BACKGROUND

October 2003 to present: Appraiser Trainee with Atrium Real Estate Services

Appraisal background includes extensive research and market analysis of various commercial properties including vacant land, subdivisions, multi-family, single and multi-tenant commercial/retail buildings, industrial facilities, mini-warehouses, and multi-tenant office buildings. In addition, research and analysis has been completed on various properties for eminent domain acquisitions including both easement and fee acquisitions.

ADDENDA

MEMORANDUM

Texas General Land Office • Jerry Patterson • Commissioner

DATE: June 13, 2005

TO: Lory Johnson, MAI, Atrium Real Estate Services

FROM: Buster Renfrow, Associate Chief Appraiser BR

SUBJECT: Appraisal of 112 acres of land along the west side of IH-35 just north of McCarty Lane, City of San Marcos, Hays County, Texas

Attached is pertinent information for the appraisal of the above referenced property. The purpose of the appraisal is to estimate the market value of the subject property for possible acquisition. The Texas General Land Office is under contract to purchase the subject tract. The reported purchase price is $4,829,933 or $0.99/SF.

The appraisal must be a complete appraisal under Standard 1 and a summary narrative appraisal under Standard 2 in conformance with USPAP. All applicable approaches to value should be used. Also, a detailed highest and best use analysis, detailed comparable sale profiles, adjustment grids, etc. should be included to support the final value conclusion.

According to our agreement the total appraisal fee is not to exceed). The completed appraisal report is due on or before close of business on July 15, 2005. The Legal Division of the Texas General Land Office is preparing a contract amendment outlining the scope and the term of this appraisal assignment. The contract amendment should be forthcoming within the next several days. **Please note that this agreement is not valid until both parties have signed the contract.**

Four (4) original copies of the appraisal are required. The completed appraisal should be addressed to Mark McAnally, MAI, Chief Appraiser and delivered to the Texas General Land Office, Appraisal Division, 1700 N. Congress Ave., Room 111, Austin, Texas 78701. **The Project ID# for this assignment is #5420. Please reference the Project ID# in your appraisal and on the invoice.**

Pl ark McAnally (512-463-5231) with any questions.

#5420

North Congress Avenue • Austin, Texas 78701-1495
2873 • Austin, Texas 78711-2873
-5001 • 800-998-4GLO
www.glo.state.tx.us

File No. 155377

Hays County

Phase I ESA

Date Filed: 11-30-05

Jerry E. Patterson, Commissioner

By Isabel Alfaro

(10)

SCANNED
DATE 10-02-07

MEMORANDUM

Texas General Land Office • Jerry Patterson • Commissioner

TEXAS GENERAL LAND OFFICE
ON BEHALF OF THE
PERMANENT SCHOOL FUND
TO THE
SCHOOL LAND BOARD

SUBJECT: Consideration and possible action on funding for PSF acquisition of approximately 112.00 acres of land, out of the JM Veramendi Survey, Abstract 88, San Marcos, Hays County, Texas.

ITEM NUMBER: 12

ATTACHMENTS: 2

ACTION: X Level III

DATE OF MEETING: August 2, 2005

INFORMATION: _____

PRESENTER(S): Richard B. Tanner

Authority

Under Texas Natural Resources Code Subchapter 1, Section 51.402, the School Land Board has the authority to acquire fee or lesser interest in real property for the use and benefit of the Permanent School Fund.

Executive Summary

Asset Management requests The Board to consider the acquisition of a ±112.00 acre tract of land located along the west line of IH-35 Frontage, just north of it's intersection with McCarty Lane, San Marcos, Hays County, TX. Staff has concluded after research and analysis of market activity and review of comparable sales over the recent past, this tract is considered a good investment for the Permanent School Fund (PSF).

Background

The property is presently a vacant and partially developed tract of land that is located within the city limits of San Marcos, TX. The site is considered to be located in a growth area of San Marcos. The site is irregular in shape and the terrain is level to sloping, and typical of the area west of IH-35 in San Marcos.

The site is located in an area that is primarily light industrial in nature. However, many of the newer uses have changed to include some type of retail development. Gillman Mitsubishi purchased an 8.40 acre portion of the original 121.50 acre tract. Automobile dealers generally search for high visibility locations and the change to retail along the frontage of IH-35 appears to be a logical one. The site is in the general vicinity of the "Outlet Malls" located across IH-35 and the proposed use for the subject property: "San Marcos Outlet Park" calls for mixed-use retail, entertainment, distribution warehouse. It has also been suggested that the rear portion of the site that fronts the Missouri, Kansas and Texas Railroad would be an excellent site for a company that requires rail access for shipping and / or deliveries; perhaps a vendor for the new Toyota plant located in San Antonio.

Conclusion

Sales activity in the area has picked up substantially and overall growth of Hays County is estimated to be over 15% over the next two to three years. Other sites have sold for a range of $0.50 to $5.00, depending on size, location and property use. The latter was the sale of a multi-family site and was substantially smaller than the subject property.

Considering the activity in the immediate area, the existence of the limited available sites in the IH-35 corridor in San Marcos and the boom in residential housing and support commercial / retail development, it is reasonable to assume that the need for additional retail developments as well as other commercial and light industrial uses will continue over the next three to five years. The site will need minimal maintenance to hold for a five-year period and should generate an IRR in excess of the PSF minimum criteria or approximately 8.74% for a three year hold and approximately 7.39% for a five year hold based on current transactions and anticipated appreciation trends for San Marcos / Hays County.

Recommendation

Staff recommends the acquisition of this site as being in the best interest of the Permanent School Fund and requests that the School Land Board authorize the Land Commissioner to execute documents required for the closing and funding of this transaction, which includes the waiver of the associated 1.5% fee; subject to the final appraisal and any remaining items to be satisfied in accordance with contractual terms or conditions.

Date Prepared: July 19, 2005

By:

Vincent F. Franco
Asset Manager

Approved by:

Susan M Bilyeu for BH
Bob Hewgley
Director of Real Estate
Texas General Land Office

Richard B. Tanner
Deputy Commissioner, Asset Management
Texas General Land Office

Review and Concur:

JERRY E. PATTERSON
Commissioner of the General Land Office and Chairman of the Board

FOR SALE or BUILD-TO-SUIT

SAN MARCOS OUTLET PARK

RETAIL - ENTERTAINMENT - DISTRIBUTION
MANUFACTURING - WAREHOUSING

SAN ANTONIO - AUSTIN IH-35 CORRIDOR
IH-35 @ McCARTY (Exit 201)
SAN MARCOS, TEXAS

DON GARRETT
Randall Morris & Associates
E-Mail: dgarrett@itouch.net
Tel: 512.353.1776
Fax: 512.353.1773
San Marcos, Texas

MICHAEL HOOVER
D.B.Harrell COMMERCIAL
REAL ESTATE SERVICES
Tel: 210.222.2424
Fax: 210.271.0183
San Antonio, Texas

San Marcos, Texas, United States

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File No. 155377

Hays County

SLB Memo - Funding

Date Filed: 11-30-05

Jerry E. Patterson, Commissioner

By Isabel Alfaro

SCANNED
DATE 10-2-07

MINUTES
SCHOOL LAND BOARD MEETING
TUESDAY, AUGUST 2, 2005

The School Land Board of the State of Texas met on Tuesday, August 2, 2005 at 10:00 A.M. in Room 940A of the Stephen F. Austin Building, Austin, Texas, with the following members present: Larry Laine, Deputy Land Commissioner and Chief Clerk of the General Land Office; Bill Warnick, General Counsel; Todd Barth and David Herrmann, Board Members. Also present were Stacy De Leon, Executive Secretary to the Board; LaNell Aston, Stephanie Crenshaw, Executive Division; Rene Truan, Mark McAnally, Bridget Brundrett, Ben Thomson, Michael Lemmonds, Jessica Dodge, Professional Services Division; Bo Tanner, Susan Biles, Bob Hewgley, Susan Sugarek, Dean Whitt, Burton Minton, Chris Palmer, Curtis McAdams, Leslie Johnson, Jim Rose, Asset Management Division; Daryl Morgan, Peter Boone, Tracey Throckmorton, Ron Widmayer, Ladell Collier, Jim Irwin, Mike Nickols, Bill Farr, Energy Resources Division; Charles Richards, Wendell Smith, Bob Moreland, Noelle Letteri, Dwain Rogers, Crystal Gobble, Valera Kothmann, Anh Bishop, Jorge Ramirez, Legal Services Division.

Also in attendance were J. David Hall representing MLC Operating, L.P., Houston, Texas; James Bostic representing ETOCC, Houston, Texas.

Larry Laine chaired the meeting in Chairman Patterson's absence.

Mr. Laine called the meeting to order at 10:04 A.M.

Motion was made by Mr. Barth and seconded by Mr. Herrmann to approve the minutes from the July 19, 2005 School Land Board Meeting and Oil and Gas Lease Sale. Motion carried unanimously.

Peter Boone presented information on Item No. 2, consideration and action on pooling applications. Motion was made by Mr. Herrmann and seconded by Mr. Laine to approve Item 2-A, an application by Strand Energy, L.C., Brushy Creek Gas Unit, State Lease: MF104005, Lavaca County, according to staff's recommendation, a copy of which is attached hereto as **Exhibit – A**. Mr. Barth abstained and motion carried.

Motion was made by Mr. Barth and seconded by Mr. Herrmann to approve Item No. 2-B, an application by Quicksilver Resources, Inc., Gibbs Unit, State Lease: MF103311, Hood County, according to staff's recommendation, a copy of which is attached hereto as **Exhibit – B**. Motion carried unanimously.

Motion was made by Mr. Herrmann and seconded by Mr. Barth to approve Item No. 2-C, an application by Lone Star Natural Resources, LLC, Montgomery/State Unit, a part of Bessie Creek is being pooled pursuant to Texas Natural Resources Code §52.076,

Waller County, according to staff's recommendation, a copy of which is attached hereto as **Exhibit – C**. Motion carried unanimously.

Motion was made by Mr. Herrmann and seconded by Mr. Barth to approve Item No. 2-D, an application by Etoco, Inc., Etoco Fee Unit, State Leases: MF101328, MF101416 and a part of Carpenter's Bayou is being pooled pursuant to Texas Natural Resources Code §52.076, Harris County, according to staff's recommendation, a copy of which is attached hereto as **Exhibit – D**. Motion carried unanimously.

Motion was made by Mr. Barth and seconded by Mr. Herrmann to approve Item No. 2-E, an application by TransTexas Gas Corporation, State Tract 331/332 Unit, State Leases: MF097211, MF097212, MF097213, MF098095, MF098100, MF098101, MF098955 and MF101742, Galveston County, according to staff's recommendation, a copy of which is attached hereto as **Exhibit – E**. Motion carried unanimously.

Motion was made by Mr. Barth and seconded by Mr. Herrmann to approve Item No. 2-F, an application by MLC Operating, LP, Emerald Unit, State Lease: MF104800, Crockett County, according to staff's recommendation, a copy of which is attached hereto as **Exhibit – F**. Motion carried unanimously.

Motion was made by Mr. Herrmann and seconded by Mr. Barth to approve Item No. 2-G, an application by MLC Operating, LP, Pearl Unit, State Lease: MF104800, Crockett County, according to staff's recommendation, a copy of which is attached hereto as **Exhibit – G**. Motion carried unanimously.

Peter Boone presented information on Item No. 3, consideration and action on an application by Jobe Materials, L.P. for waiver of surface owner agency rights and approval of a limestone mining lease under Section 53.081 Natural Resources Code on Relinquishment Act land containing 503 acres out of Section 24, Block 6, PSL in El Paso County, Texas. Motion was made by Mr. Herrmann and seconded by Mr. Barth to approve Item No. 3 according to staff's recommendation, a copy of which is attached hereto as **Exhibit – H**. Motion carried unanimously.

Michael Lemmonds presented information on Item No. 4, consideration and action on applications for Coastal Easements on Coastal Public Lands. Motion was made by Mr. Barth and seconded by Mr. Herrmann to approve Item No. 4-A, a renewal, CE860075, Cape Carancahua Property Owners' Association, Inc., Carancahua Bay, Jackson County, according to staff's recommendation, a copy of which is attached hereto as **Exhibit – I**. Motion carried unanimously.

Michael Lemmonds presented information on Item No. 5, consideration and action on applications for Commercial Easements on Coastal Public Lands. Motion was made by Mr. Barth and seconded by Mr. Herrmann to approve Item No. 5-A, a renewal, LC950013, Solutia, Inc., Chocolate Bayou, Brazoria County, according to staff's recommendation, a copy of which is attached hereto as **Exhibit – J**. Motion carried unanimously.

Dean Whitt presented information on Item No. 6, consideration and action on applications to purchase Permanent School Fund land by direct cash sale by Juanita W. Hughes Family, LLP, P.O. Box 4250, Beeville, Texas, 78104: **A.** File No. MF-845, 20.66 acres, Part of Section 27, Block 2, PSL Survey, Culberson County; **B.** File No. 126035, 160.0 acres, NE/4 of Section 5, Block 83, PSL Survey, Culberson County; **C.** File No. 126432, 160.0 acres, NE/4 of Section 20, Block 83, PSL Survey, Culberson County; **D.** File No. 131027, 640.0 acres, Section 3, Block 83, PSL Survey, Culberson County; **E.** File No. 145080, 640.0 acres, Section 13, Block 83, PSL Survey, Culberson County; **F.** File No. 146638, 160.0 acres, NE/4 of Section 16, Block 83, PSL Survey, Culberson County. Motion was made by Mr. Herrmann and seconded by Mr. Barth to approve Item No. 6 according to staff's recommendation, a copy of which is attached hereto as **Exhibit – K**. Mr. Barth abstained and motion carried.

Dean Whitt presented information on Item No. 7, consideration and action to sell directly and on terms File No. 125616, 281.20 acres, N Part of Section 12, Block 64, Township 1, T & P Ry. Co. Survey, Culberson County, to James B. Kenny, D Ranch HC 66-478, Carlsbad, New Mexico, 88220. Motion was made by Mr. Barth and seconded by Mr. Herrmann to approve Item No. 7 according to staff's recommendation, a copy of which is attached hereto as **Exhibit – L**. Motion carried unanimously.

The School Land Board entered into Closed Session at 10:30 A.M. pursuant to Chapter 551, Subchapter D, Texas Government Code Section 551.07, relating to Item No. **8**, consideration and possible action on the disposition of approximately 58.55 acres of Permanent School Fund land out of the south half of Section 14, Block 79, Township 3, El Paso County, Texas; Item No. **9**, consideration and possible action on the acquisition of 83.4 acres out of Abstract 148, Collin County School Lands No. 10, Block, Tract 2 in Frisco, Collin County, Texas; Item No. **10**, consideration and possible action on funding for PSF acquisition of approximately 175.395 acres J.P. Talamantez Survey 300 1/5, Abstract 1030, CB 4369, Bexar County, Texas; Item No. **11**, consideration and possible action for PSF acquisition of approximately 39.02 acres of land out of the Santiago Del Valley Grant, Austin, Travis County, Texas to change the acquisition price and to waive the 1.5% acquisition fee as previously approved by the SLB on May 3, 2005; Item No. **12**, consideration and possible action on funding for PSF acquisition of approximately 112.00 acres of land, out of the JM Veramendi Survey, Abstract 88, San Marcos, Hays County, Texas; Item No. **13**, consideration and possible action concerning proposed settlement with J.M. Huber Corporation in Cause No. DC-02-169; Miguel Ruiz, et al v. Exxon Mobil Corporation, et al; in the 229th District Court of Duval County, Texas, State lease M-099042 and possible action regarding pending or contemplated litigation and/or settlement offers, or to seek or receive attorney advice or counsel.

The School Land Board reconvened into Open Session at 11:13 A.M. No action was taken during Closed Session.

Bo Tanner presented information on Item No. 8, consideration and possible action on the disposition of approximately 58.55 acres of Permanent School Fund land out of

the south half of Section 14, Block 79, Township 3, El Paso County, Texas. No action was required. Therefore, no action was taken.

Item No. 9 was pulled from the docket.

Bo Tanner presented information on Item No. 10, consideration and possible action on funding for PSF acquisition of approximately 175.395 acres J.P. Talamantez Survey 300 1/5, Abstract 1030, CB 4369, Bexar County, Texas. Motion was made by Mr. Barth and seconded by Mr. Herrmann to approve Item No. 10 according to staff's recommendation. Staff recommended that the School Land Board authorize the Land Commissioner to execute documents required for the closing and funding of this transaction, which includes the waiver of the associated 1.5% fee: subject to final appraisal including the results of the phas II karst beetle study not significantly impacting value: and any remaining items to be satisfied in the accordance with the contractual terms or conditions. Motion carried unanimously.

Bo Tanner presented information on Item No. 11, consideration and possible action for PSF acquisition of approximately 39.02 acres of land out of the Santiago Del Valley Grant, Austin, Travis County, Texas to change the acquisition price and to waive the 1.5% acquisition fee as previously approved by the SLB on May 3, 2005. Motion was made by Mr. Herrmann and seconded by Mr. Barth to approve Item No. 11 according to staff's recommendation. Staff recommended that the School Land Board authorize the Land Commissioner execute a contract reflecting the waiver of the 1.5% acquisition and lower the agreed to sales price accordingly. Motion carried unanimously.

Bo Tanner presented information on Item No. 12, consideration and possible action on funding for PSF acquisition of approximately 112.00 acres of land, out of the JM Veramendi Survey, Abstract 88, San Marcos, Hays County, Texas. Motion was made by Mr. Barth and seconded by Mr. Herrmann to approve Item No. 12 according to staff's recommendation. Staff recommended the acquisition of this site as being in the best interest of the Permanent School Fund and requests that the School Land Board authorize the Land Commissioner to execute documents required for the closing and funding of this transaction, which includes the waiver of the associated 1.5% fee; subject to the final appraisal and any remaining items to be satisfied in accordance with contractual terms or conditions. Motion carried unanimously.

Dwain Rogers presented information on Item No. 13, consideration and possible action concerning proposed settlement with J.M. Huber Corporation in Cause No. DC-02-169; Miguel Ruiz, et al v. Exxon Mobil Corporation, et al; in the 229th District Court of Duval County, Texas, State lease M-099042. Motion was made by Mr. Herrmann and seconded by Mr. Barth to accept JM Huber Corporation's current offer, which represents approximately 62 cents on the dollar of the PSF's maximum claim in this case. Motion carried unanimously.

There being no further business before the School Land Board, the meeting was adjourned at 11:21 A.M.

ATTEST:

Stacy De Leon, Executive
Secretary to the Board

APPROVE:

Larry L. Laine, Deputy Land
Commissioner and Chief Clerk
of the General Land Office

(12)

File No. 155377

Hayo County

SLB Minutes - Funding

Date Filed: 11-30-05

Jerry E. Patterson, Commissioner

By Isabel Alfaro

SCANNED
DATE 10-2-07

DATE: **August 12, 2005**

TO: **Land America Title**

RE: **Escrow Number #2422002793**

ESCROW OFFICER: **Alice Spencer**

AMENDMENT TO ESCROW AND ASSIGNMENT OF INTEREST

FOR THE DISPOSITION OF THE PROPERTY described as,**113.133 Acres out of the J.M. Veramendi Survey No. 1, Abstract No. 17, Hayes County, S. IH 35 , San Marcos, TX** , herein referred to as the "Relinquished Property"), this assignment is entered into between **Capital Foresight Limited Partnership** hereinafter referred to as "Assignor" and/or "Exchanger"), and ACCOMMODATOR FINANCE CO., a California corporation (hereinafter referred to as "Assignee" and/or "Intermediary"), and, **The State of Texas,** (referred to as the "Consenting Party").

WHEREAS, Assignor and Consenting Party heretofore have entered into that certain Agreement for Purchase and Sale of Assets (Purchase Agreement") for the purchase and sale of the Relinquished Property by means of a sale to Consenting Party.

WHEREAS, Assignor wishes to assign all of its interest, rights and obligations under the Purchase Agreement to Assignee.

NOW, THEREFORE, Assignor hereby assigns to Assignee all of its rights, title and interest in and to the Purchase Agreement, including the proceeds arising there from, and Assignee hereby accepts said assignment and assumes all of such rights, title, interest and conditions of the Purchase Agreement. Consenting Party hereby accepts Assignee in the place and stead of Assignor to sell the Relinquished Property as described herein.

The parties further agree that in order to facilitate the transfer of the Relinquished Property from Assignor to Intermediary and from Intermediary to Consenting Party, Intermediary hereby directs Assignor to execute the Grant Deed to the Relinquished Property directly in favor of Consenting Party. It is understood that Intermediary shall be deemed to

have transferred the Relinquished Property under this assignment to Consenting Party.

Notwithstanding anything to the contrary contained herein, Assignor and Consenting Party hereby confirm that all duties and obligations which are set forth in the Purchase Agreement and which are to survive the close of escrow are not altered or in any way affected by this Agreement, including, without limitation, the indemnification obligations of Assignor, Consenting Party.

Assignor fully releases and indemnifies and holds harmless Intermediary and Consenting party from and against any and all liability, loss, cost, damage or expense (including, without limitation, attorneys' fees and costs) that Consenting Party or Intermediary may incur as a result of this assignment

IN WITNESS WHEREOF, the parties have executed this assignment.

ASSIGNOR (EXCHANGER):
Capital Foresight, L.P.
By:

Naty Saidoff, General Partner

ASSIGNEE (INTERMEDIARY):

ACCOMMODATOR FINANCE CO.
A California corporation

By:

Eli Tene, President

[ACCOMMOD.NKD]

have transferred the Relinquished Property under this assignment to Consenting Party.

Notwithstanding anything to the contrary contained herein, Assignor and Consenting Party hereby confirm that all duties and obligations which are set forth in the Purchase Agreement and which are to survive the close of escrow are not altered or in any way affected by this Agreement, including, without limitation, the indemnification obligations of Assignor, Consenting Party.

Assignor fully releases and indemnifies and holds harmless Intermediary and Consenting party from and against any and all liability, loss, cost, damage or expense (including, without limitation, attorneys' fees and costs) that Consenting Party or Intermediary may incur as a result of this assignment

IN WITNESS WHEREOF, the parties have executed this assignment.

ASSIGNOR (EXCHANGER):
Capital Foresight, L.P.
By: _____
Naty Saidoff, General Partner

ASSIGNEE (INTERMEDIARY):

ACCOMMODATOR FINANCE CO.
A California corporation

By: _____
Eli Tene, President

[ACCOMMOD.AMD]

IN WITNESS WHEREOF, the parties have executed this assignment.

CONSENTING PARTY:

Dewayne Naumann, Closing Manager of the Texas General Land Office for The State of Texas, for the use and benefit of the Permanent School Fund

[ACCOMMOD.AMD]

(12) 13

File No. 155377

Hays County

Amendment to Escrow

Date Filed: 11-30-05

Jerry E. Patterson, Commissioner

By Isabel Alfaro

SCANNED
DATE 10/2/07

Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697

Roger Williams
Secretary of State

Office of the Secretary of State

The undersigned, as Secretary of State of Texas, does hereby certify that the document, Registration Of Limited Partnership for CAPITAL FORESIGHT LIMITED PARTNERSHIP, authorized under the name FINANCIAL FORESIGHT LIMITED PARTNERSHIP (filing number: 6390811), a NEVADA, USA Foreign Limited Partnership, was filed in this office on May 01, 1992.

It is further certified that the entity status in Texas is in existence.

In testimony whereof, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in Austin, Texas on August 15, 2005.

Roger Williams
Secretary of State

(14)

File No. 155377

Hays County

Ltr. from Secretary of State

Date Filed: 11-30-05

Jerry E. Patterson, Commissioner

By Isabel Alfaro

SCANNED
DATE 10-2-07

BUYER'S RECEIPT AND CONFIRMATION
(Made by Representative of Entity)

Date:	August 18, 2005
Buyer's Name and Mailing Address:	The State of Texas for the use and benefit of the Permanent School Fund 1700 North Congress Avenue, Room 910 Austin, TX 78701
Affiant:	Dewayne Naumann, Closing Manager of the Texas General Land Office for The State of Texas, for the use and benefit of the Permanent School Fund
Property:	113.133 acres of land, more or less, out of the J.M. VERAMENDI SURVEY NO. 1, ABSTRACT NO. 17, in HAYS County, Texas, being a portion of 121.52 acre tract conveyed to Capital Foresight Limited Partnership in Warranty Deed recorded in Volume 1336, Page 595 of the Official Public Records of HAYS County, Texas. Said 113.133 acres being more particularly described in Exhibit "A" attached hereto.

Affiant swears individually and on behalf of Buyer that the following statements are true and within the personal knowledge of Affiant:

1. This Affidavit is made in connection with Buyer's purchase of the Property.

Title Insurance and Commitment - General

2. I acknowledge that Buyer is receiving an Owner Policy of Title Insurance (Owner Policy) issued by Lawyers Title Insurance Corporation (referred to as Underwriter) through LandAmerica Austin Title Company (referred to as Agent) in the amount of the purchase price of the Property.
3. I acknowledge receipt of the following:
   - ☒ Commitment for Title Insurance with Issued date: August 12, 2005.
   - ☒ Copies of covenants, conditions, restrictions, easements and other documents shown as exceptions on Schedule B of the Commitment.
4. I understand that, in addition to the exceptions shown on the Commitment, the Owner Policy promulgated by the Texas Department of Insurance contains Exclusions from Coverage.

Title Insurance – Rights of Parties in Possession

5. I confirm that Agent has informed me that unless Agent makes a physical inspection of the Property, Buyer's Owner Policy will contain a general exception as to "rights of parties in possession."
   - ☐ I hereby waive any inspection by Agent and agree to accept the policy containing the general exception.

Title Insurance – Area and Boundaries

6. I confirm that Agent has informed me that unless an acceptable survey is furnished and an additional premium paid, Buyer's Owner Policy will contain a general exception as to "any discrepancies, conflicts, or shortages in area or boundary lines, or any encroachments or protrusions, or any overlapping of improvements."
   - ☐ I do not wish to provide a survey and/or to pay the additional premium and agree to accept the policy containing the general exception.

Title Insurance – Taxes

7. I acknowledge that Buyer's Owner Policy will contain an exception to possible "taxes and assessments by any taxing authority for prior years due to change in land usage or ownership," and I confirm that neither Underwriter nor Agent are responsible for assisting Buyer in paying or resolving any such tax issues.

   ☒ I acknowledge receipt of the Tax Certificate or Tax Information Sheet provided to Agent

Survey or surveyor's plat

   ☒ I acknowledge receipt of a survey of the Property dated June 15, 2005.

8. I confirm that Agent has made no representations to me regarding any matters shown on said survey and Buyer accepts the Property subject to any matters shown on said survey and agrees to hold harmless Underwriter and Agent from any and all costs, damages and expenses in any way arising from such matters to the extent permitted by law.

9. If no survey or surveyor's plat was received, I confirm that Buyer did not request or require a survey.

Other representations:

10. Anyone concerned may rely on these statements.

11. I agree to indemnify and hold Lawyers Title Insurance Corporation, Underwriter and its Agent harmless from any loss or expense, including reasonable attorney fees, resulting from false or incorrect information in this affidavit to the extent permitted by law.

Dewayne Naumann, Closing Manager of the Texas General Land Office for The State of Texas, for the use and benefit of the Permanent School Fund

SIGNED under oath before me on August 19, 2005.

MONA McMAHAN
Notary Public
STATE OF TEXAS
My Comm. Exp. 08-14-2008

Notary Name:
State of Texas
County of Travis
Expires:

STATE OF TEXAS
COUNTY OF TRAVIS

This instrument was acknowledged before me on August 19, 2005, by Dewayne Naumann, Closing Manager of the Texas General Land Office for The State of Texas, for the use and benefit of the Permanent School Fund.

MONA McMAHAN
Notary Public
STATE OF TEXAS
My Comm. Exp. 08-14-2008

Notary Name:
State of Texas
County of Travis
Expires:

EXHIBIT "A"

WALKER
TEXAS SURVEYORS, INC.
P. O. Box 324
Cedar Park, Texas 78630-0324
(512) 259-3361 Phone
(512) 259-3381 Fax

PERIMETER DESCRIPTION
113.133 ACRE TRACT OF LAND
J.M. VERAMENDI SURVEY NO. 1, ABSTRACT NO. 17
HAYS COUNTY, TEXAS

BEING A 113.133 ACRE TRACT OF LAND OUT OF AND PART OF THE J.M. VERAMENDI SURVEY NUMBER 1, ABSTRACT NUMBER 17 IN HAYS COUNTY, TEXAS, SAID 113.133 ACRE TRACT BEING OUT OF AND PART OF A CALLED 121.52 ACRE TRACT OF LAND CONVEYED TO CAPITAL FORESIGHT LIMITED PARTNERSHIP, RECORDED IN VOLUME 1336, PAGE 595 OF OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS. SAID 113.133 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING, at a 1/2" Iron Rod found (Capped "Byrn") for the East corner of said 121.52 acre tract, in the West line of Interstate Highway No. 35 (300' Right-of-Way per Volume 9, Page 399 of the Hays County, Texas Plat Records), also being the South corner of a called 3.15 acre tract of land conveyed to Gulf Business Forms, Inc. as recorded in Volume 357, Page 703 of the Hays County, Texas Deed Records, for the East corner hereof;

THENCE, with the common line of said 121.52 acre tract and said Interstate Highway No. 35, **South 43°34'50" West**, a distance of **2931.79** feet to a 1/2" Iron Rod found (Capped "Byrn") in the West line of said Interstate Highway No. 35, being the East corner of Lot 1, Block 1 of "San Marcos Outlet Park", a subdivision in Hays County, Texas, recorded in Volume 9, Page 399 of the Hays County, Texas Plat Records, for the South corner hereof;

THENCE, leaving the West line of said Interstate Highway No. 35, with the Northeast line of said Lot 1, Block 1 of "San Marcos Outlet Park", **North 45°57'47" West**, a distance of **730.65** feet to a 1/2" Iron Rod found (Capped "Byrn") for the North corner of said Lot 1, Block 1 of "San Marcos Outlet Park", being an interior point hereof;

THENCE, with the Northwest line of said Lot 1, Block 1 of "San Marcos Outlet Park", **South 43°34'29" West**, a distance of **499.98** feet to a 1/2" Iron Rod found (Capped "Byrn") for the West corner of said Lot 1, Block 1 of "San Marcos Outlet Park", being the North corner of the residual of a called 9.438 acre tract of land conveyed to KBLB Partners as recorded in Volume 1266, Page 132 of the Real Property Records of Hays County, Texas, also being the East corner of a called 0.75 acre tract of land conveyed to Capital Foresight as recorded in Volume 1473, Page 700 of the Real Property Records of Hays County, Texas, also being in the Southwest line of said 121.52 acre tract, for an exterior corner hereof;

THENCE, with the common line of said 0.75 acre tract and said 121.52 acre tract, **North 45°56'28" West**, a distance of **59.84** feet to a "Mag" Nail found in concrete for the North corner of said 0.75 acre tract, being an angle point of the said 121.52 acre tract, also being the East corner of the residual of a called 20 acre tract of land conveyed to Tereso Tobias as recorded in Volume 139, Page 383 of the Hays County, Texas Deed Records, for an angle point hereof;

THENCE, with the common line of said 121.52 acre tract and the residual of said 20 acre tract (said tract having been cut into numerous small parcels all of which as referenced on the separate sketch of this survey), **North 45°49'24" West**, a distance of **843.66** feet to a 1/2" Iron Rod found (Capped "Byrn") for the North corner of said 20 acre tract, being the West corner of said 121.52 acre tract, also being in the Southeast line of the Missouri, Kansas and Texas Railroad as recorded in Volume 41, Page 12 of the Hays County, Texas Deed Records, for the West corner hereof;

THENCE, with the common line of said 121.52 acre tract and said Missouri, Kansas and Texas Railroad, **North 46°39'52" East**, a distance of **3437.82** feet to a 1/2" Iron Rod found in the Southeast line of said Missouri, Kansas and Texas Railroad, for the North corner of said 121.52 acre tract, being the West corner of Lot 1 of "Thermon Industrial Park No. 2", a subdivision in Hays County, Texas, recorded in Volume 5, Page 6 of the Hays County, Texas Plat Records, for the North corner hereof;

THENCE, with the common line of said 121.52 acre tract and said Lot 1 of "Thermon Industrial Park No. 2" and the said 3.15 acre Gulf Business Forms, Inc. tract, **South 45°46'49" East**, a distance of **1449.17** feet back to the place and **POINT OF BEGINNING**, containing 113.133 Acres of land.

Bearing basis for this tract is based upon the Texas State Plane Coordinate System, NAD83/93 HARN, Texas South Central Zone (U.S. Survey Feet).

This perimeter description is a part of and accompanies a separate sketch of this survey.

Surveyed under the direction and supervision of the undersigned:

June 15, 2005

Charles G. Walker
Date of field survey

Registered Professional Land Surveyor
Number 5283
341001.doc

(15)

File No. 155377

Hays County

Buyers Receipt

Date Filed: 11-30-05

Jerry E. Patterson, Commissioner

By Isabel Alfaro

SCANNED
DATE 10-2-07

Purchase Requisition

Texas General Land Office

Do not place an Order. The Purchasing Department MUST place this order in compliance with State Laws & Regulations.

WT

Req. No. 305 - 5-3208

GSC PO # _____ **Date** 08/18/2005

Program/Division	Requestor	Phone Number	Date Initiated
Asset Management	Dewayne Naumann	512-463-5102	08/18/2005

Justification for Purchase:
Purchase of land and improvements to enhance the value of the PSF portfolio.

CONTRACT NEW ☐ Prof. Svcs. ☐ Cons. ☐ Int. Agency ☐ Int. Local ☐ O/S Counsel ☐ MOU ☐ MOA ☐ Letter Agr. ☐ Other (Kind) _____ ☐ Renewal of Contract # _____

AMENDMENT TO: ☐ Add ☐ Decrease ☐ Time ☐ Funding

DUE TO: ☐ Extra Task(s) ☐ High Bids ☐ Weather delay ☐ Factors Beyond Control ☐ Other (Explain) _____ **REQUESTED BY:** ☐ GLO ☐ Vendor

OUTSOURCING: Y ☐ ☐ No **CONTRACT WORKFORCE:** ☐ Yes ☐ No **WORK PRODUCT** ☐ Yes ☐ No

Vendor I.D.	752345570	(Legal Approval)	Date
Vendor Name	LandAmerica Austin Title	Suggested Vendor:	
Address	1515 Capital of Texas Highway South, Fifth Floor	Contact Person:	Mona McMahan
City/State	Austin, Texas Zip 78746-6544	Phone Number:	512-306-0988
		Fax Number:	512-306-0989

DT PCC	Fund	Approp.	Comptroller	GLO	PCA	Amount
9	13	13002	7345	4300	31003	$4,878,169.84

BUDGET ANPS ENTRY By _____ Date 8/18/05

Notes/Comments:
Please deliver to Requestor. - Closing date 8/19/05

Item	Commodity Code	Description of Product/Service	Quantity	UOM	Unit Price	Estimated Cost
		Class 998 Item 84				
1		Purchase of 113.133 acres out of the J.M. Veramendi Survey No. 1,	1	ea	$4,878,169.84	$4,878,169.84
		Abstract No. 17, Hays County, Texas				$0.00
		"Capital Foresight" - Vince Franco				$0.00
						$0.00
						$0.00
						$0.00
						$0.00
					Additional Page Total:	$0.00
					Total:	$4,878,169.84

RECEIVED AUG 18 2005 GENERAL LAND OFFICE PURCHASING

AUG 18 2005

ACCOUNTS PAYABLE

Contract Dates: From: To:

SIGNATURES/APPROVALS:

Director	Date 8/18/05	IS - Technology/Computer related	Date
Deputy - $1,000 and over	Date 8/18	PIO - Publications related	Date
Budget-Funds Available ☐ Yes ☐ No	Date	Chief Clerk - $5,000 and over Carry L. Laine by C. Aston	Date 8-18-05

PURCHASING/ACCOUNTS PAYABLE USE

HUB VENDOR ☐ Yes ☐ No
☐ Black ☐ Asian ☐ Woman ☐ Hispanic ☐ Native American

RECYCLED PRODUCT
☐ E-1 Recycled-content ☐ E-2 Remanufactured ☐ E-3 Env. Sensitive

Posted on Market Place: ☐ Y ☐ N
VCID NA REPERS 8/18/05
Order/Begin Date 8/18/05 Due/End Date 8/31/05

Type Purchase: SDC
Processed by: HR
Date: 8/18/05
ANPS Entry:

- ☐ BOND FUND (use of funds to pay expenses related to the Land) Nat. Res. Code, Title 7, Chapter 161, Subchapter A, Section 161.175
- ☐ BOND FUND (Use of funds to pay bond expenses) Nat. Res. Code, Title 7, Chapter 161, Subchapter A, Section 161.176
- ☐ BOND FUND (for printing) Nat. Res. Code, Chapter 161, Subchapter A, Section 161.176(3)
- ☐ POSTAGE - GENERAL APPROPRIATIONS ACT. 74th Leg. Session, Sec. 9, HB 1, Sec. 33 (Purchase of Postage)
- ☐ PRO-TX Gov. Code, Title 10, Subtitle F, Sec. Ref. 2155.001, Chapter 2254, Subchapter A, Sec. 2254.001
- ☐ CEPRA-TX. Natural Resource Code, Chapter 33, Subchapter H
- ☐ CEPRA-TX. Natural Resource Code, Chapter 33, Subchapter H/ Tx. Gov. Code, Title 10, Chapter 2155, Subchapter 2155.147
- ☐ CSL-TX Gov. Code, Title 10, Subtitle F, Sec. Ref. 2155.001, Chapter 2254, Subchapter B, Sec. 2254.021
- ☐ GRANTS-TX. Gov. Code, Title 10, Subtitle D, Section 2155.140
- ☐ MAIL SERVICES-TX. Gov. Code, Title 10, Subtitle D, Chapter 2162.105
- ☐ OUTSIDE COUNSEL-TX. Gov. Code 2254.024
- ☐ ILC-TX. Gov. Code, Title 7, Chapter 791
- ☐ Other
- ☐ TRAINING-TX. Gov. Code, Title 6, Subtitle B, Section 656.044
- ☑ PURCHASE OF LAND-Nat. Res. Code, Section 51.402
- ☐ TELEPHONE/UTILITIES-TX. Gov. Code, Chapter 2155, Ref. 2155.01d
- ☐ IAC-TX. Gov. Code, Title 7, Chapter 771
- ☐ OSPRA-TX. Nat. Res. Code, Chapter 40

ALL OBLIGATIONS OF $25,000 OR MORE MUST BE ADVERTISED ON THE TEXAS MARKETPLACE

Rev. 5/04

Texas Comptroller of Public Accounts

109222737 AUGUST 19, 2005

TREASURY WARRANT NO
109222737

[redacted]

PAYING AGENCY: 512-463-5189 GENERAL LAND OFFICE

PAY FOUR MILLION EIGHT HUNDRED SEVENTY EIGHT THOUSAND ONE HUNDRED SIXTY NINE DOLLARS AND 84/100 $4,878,169.84

TO THE ORDER OF
LANDAMERICA AUSTIN TITLE COMPANY
1515 CAPITAL OF TEXAS HWY SOUTH 5TH FLOOR
AUSTIN, TX 78746-6579

VOID AFTER
08/31/2007

Carole Keeton Strayhorn

[redacted] "109222737"

STATE OF TEXAS

PAYMENT FROM TEXAS GENERAL LAND OFFICE AND VETERANS LAND BOARD

Payment made to:

LANDAMERICA AUSTIN TITLE COMPANY
1515 CAPITAL OF TEXAS HWY SOUTH 5TH FLOOR
AUSTIN, TX 78746-6544

PO #: 317E0503208

Invoice #: 5-3208

Total Amount Paid: $4,878,169.84

Payment for: PURCHASE OF 113.133 ACRES, HAYS COUNTY

TGLO Document #: 9CGP5529

If you have any questions regarding this payment, please contact: Renee Jones, 512-305-8944

Purchase Requisition

Texas General Land Office

Do not place an Order. The Purchasing Department MUST place this order in compliance with State Laws & Regulations.

Req. No. 305 - 5-2645

GSC PO # _____ **Date** 06/07/2005

Program/Division	Requestor	Phone Number	Date Initiated
Asset Management	Dewayne Naumann	512-463-5102	06/07/2005

Justification for Purchase:
Pursuant to Section 6 of executed contract, payment of Independent Consideration

CONTRACT NEW ☐ Prof. Svcs. ☐ Cons. ☐ Int. Agency ☐ Int. Local ☐ O/S Counsel ☐ MOU ☐ MOA ☐ Letter Agr. ☐ Other (Kind) _____ ☐ Renewal of Contract # _____

AMENDMENT TO: ☐ Add ☐ Decrease ☐ Time ☐ Funding **REQUESTED BY:** ☐ GLO ☐ Vendor

DUE TO: ☐ Extra Task(s) ☐ High Bids ☐ Weather delay ☐ Factors Beyond Control ☐ Other (Explain) _____

OUTSOURCING: ☐ Yes ☐ No **CONTRACT WORKFORCE:** ☐ Yes ☐ No **WORK PRODUCT** ☐ Yes ☐ No

Vendor I.D.	88-0269429 1000	(Legal Approval)	Date
Vendor Name	Capital Foresight Limited Partnership	Suggested Vendor:	
		Contact Person:	Naty Saidoff, c/o John Goldstone
Address	2980 Beverly Glen Circle, #201	Phone Number:	512-707-3186
City/State	Bel Air, California Zip 90077	Fax Number:	512-707-3188

DT PCC	Fund	Approp. (Los Angeles)	Comptroller	GLO	PCA	Amount
9	13	13002	7346	4300	31003	$50.00

BUDGET ANPS ENTRY By: _____ Date: 6/9/05

Notes/Comments:
Please deliver to Requestor.

Item	Commodity Code	Description of Product/Service	Quantity	UOM	Unit Price	Estimated Cost
		Class 963 Item 39				
1		Independent Consideration	1	ea	$50.00	$50.00
		112 Acres, Hays County (VF)				$0.00
						$0.00
						$0.00
						$0.00
						$0.00
						$0.00
				Additional Page Total:		$0.00
				Total:		$50.00

JUN 13 2005

Contract Dates: From: To:

SIGNATURES/APPROVALS:

_____ Director — Date _____ — IS - Technology/Computer related — Date

_____ Deputy - $1,000 and over — Date 6/7/05 — PIO - Publications related — Date

Budget-Funds Available ☐ Yes ☐ No Date — Chief Clerk - $5,000 and over — Date

PURCHASING/ACCOUNTS PAYABLE USE

HUB VENDOR ☐ Yes ☑ No ☐ Black ☐ Asian ☐ Woman ☐ Hispanic ☐ Native American

RECYCLED PRODUCT ☐ E-1 Recycled-content ☐ E-2 Remanufactured ☐ E-3 Env. Sensitive

Posted on Market Place: ☐ Y ☑ N VCID NA REPERS 6/10/05

Order/Begin Date 6/13/05 Due/End Date 8/31/05

Type Purchase: SPC Processed by: HP Date: 6/10/05 ANPS Entry:

- ☐ BOND FUND (use of funds to pay expenses related to the Land) Nat. Res. Code, Title 7, Chapter 161, Subchapter A, Section 161.175
- ☐ BOND FUND (Use of funds to pay bond expenses) Nat. Res. Code, Title 7, Chapter 161, Subchapter A, Section 161.176
- ☐ BOND FUND (for printing) Nat. Res. Code, Chapter 161, Subchapter A, Section 161.176(3)
- ☐ POSTAGE - GENERAL APPROPRIATIONS ACT. 74th Leg. Session, Sec. 9, HB 1, Sec. 33 (Purchase of Postage)
- ☐ PRO-TX Gov. Code, Title 10, Subtitle F, Sec. Ref. 2155.001, Chapter 2254, Subchapter A, Sec. 2254.001
- ☐ CEPRA-TX. Natural Resource Code, Chapter 33, Subchapter H
- ☐ CEPRA-TX. Natural Resource Code, Chapter 33, Subchapter H/ Tx. Gov. Code, Title 10, Chapter 2155, Subchapter 2155.147
- ☐ CSL-TX Gov. Code, Title 10, Subtitle F, Sec. Ref. 2155.001, Chapter 2254, Subchapter B, Sec. 2254.021
- ☐ GRANTS-TX. Gov. Code, Title 10, Subtitle D, Section 2155.140
- ☐ TRAINING-TX. Gov. Code, Title 6, Subtitle B, Section 656.044
- ☐ MAIL SERVICES-TX. Gov. Code, Title 10, Subtitle D, Chapter 2162.105
- ☑ PURCHASE OF LAND-Nat. Res. Code, Section 51.
- ☐ OUTSIDE COUNSEL-TX. Gov. Code 2254.024
- ☐ TELEPHONE/UTILITIES-TX. Gov. Code, Chapter 2155, Ref. 2155.01d
- ☐ ILC-TX. Gov. Code, Title 7, Chapter 791
- ☐ IAC-TX. Gov. Code, Title 7, Chapter 771
- ☐ OSPRA-TX. Nat. Res. Code, Chapter 40
- ☐ Other

ALL OBLIGATIONS OF $25,000 OR MORE MUST BE ADVERTISED ON THE TEXAS MARKETPLACE

Rev. 5/04

Texas Comptroller of Public Accounts

108717691 JUNE 15, 2005 TREASURY WARRANT NO.

[redacted]

PAYING AGENCY: 512-463-5189 GENERAL LAND OFFICE 108717691

PAY FIFTY DOLLARS AND 00/100 $50.00

TO THE ORDER OF
CAPITAL FORESIGHT LIMITED PARTNERSHIP
2980 BEVERLY GLEN CIRCLE STE 201
LOS ANGELES, CA 90077-1734

VOID AFTER
08/31/2007

Carole Keeton Strayhorn

[redacted] 108717691

GLO Contract No. 05-260

Purchase Requisition

Texas General Land Office

Do not place an Order. The Purchasing Department MUST place this order in compliance with State Laws & Regulations.

W/T

Req. No. ~~305~~ - 317-5-02689

GSC PO # _____ Date _____

RUSH

Program/Division	Requestor	Phone Number	Date Initiated
Professional Svcs/Appraisal	Buster Renfrow	463-5072	06/14/2005

Justification for Purchase:

Professional appraisal services required for the estimation of market value for possible PSF acquisition.

CONTRACT NEW ☑ Prof. Svcs. ☐ Gons. ☐ Int. Agency ☐ Int. Local ☐ O/S Counsel ☐ MOU ☐ MOA ☐ Letter Agr.
☐ Other (Kind) _____ ☐ Renewal of Contract # _____

AMENDMENT TO: ☐ Add ☐ Decrease ☐ Time ☐ Funding

DUE TO: ☐ Extra Task(s) ☐ High Bids ☐ Weather delay ☐ Factors Beyond Control ☐ Other (Explain) _____

REQUESTED BY: ☐ GLO ☐ Vendor

OUTSOURCING: Y ☐ ☐ No **CONTRACT WORKFORCE:** ☐ Yes ☐ No **WORK PRODUCT** ☑ Yes ☐ No

Vendor I.D.	1-74-26151019	(Legal Approval)	Date 6-14-05
Vendor Name	Atrium Real Estate Services	Suggested Vendor:	Atrium Real Estate Services
Address	2305 Hancock Drive	Contact Person:	Lory Johnson, MAI
City/State	Austin, TX Zip 78756	Phone Number:	512/453-7407
		Fax Number:	512/453-1606

DT PCC	Fund	Approp.	Comptroller	GLO	PCA	Amount
9	013	13002	7346	4121	31003	$3,000

BUDGET ANPS ENTRY By: Date:

Notes/Comments:
Please have Larry Lane sign contract first.

Item	Commodity Code	Description of Product/Service	Quantity	UOM	Unit Price	Estimated Cost
1		Class 946 Item 15				
		Summary narrative appraisal of 112 acres of land along the	1		$3,000.00	$3,000.00
		west side of IH-35 just north of McCarty Lane,				$0.00
		City of San Marcos, in Hays County, Texas				$0.00
						$0.00
		Delivery date: on or before close of business on 7/15/05				$0.00
						$0.00
						$0.00
					Additional Page Total:	$0.00
					Total:	$3,000.00

Contract Dates: From: date signed To: 07/31/2005

SIGNATURES/APPROVALS:

B Renfrow 6/14/05
Director Date

[redacted] Date

[redacted] 6.14.2005
Deputy - $1,000 and over Date

[redacted] Date

Budget-Funds Available Yes ☐ No 6/14 Date

[redacted] 6/15/05

[redacted] Date

PURCHASING/ACCOUNTS PAYABLE USE

HUB VENDOR ☐ Yes ☐ No
☐ Black ☐ Asian ☐ Woman
☐ Hispanic ☐ Native American

RECYCLED PRODUCT
☐ E-1 Recycled-content
☐ E-2 Remanufactured
☐ E-3 Env. Sensitive

Posted on Market Place: ☐ Y ☑ N
VCID _____ REPERS _____
Order/Begin Date Due/End Date

Type Purchase: PRO
Processed by: HR
Date: 6/14/05
ANPS Entry:

☐ BOND FUND (use of funds to pay expenses related to the Land) Nat. Res. Code, Title 7, Chapter 161, Subchapter A, Section 161.175
☐ BOND FUND (Use of funds to pay bond expenses) Nat. Res. Code, Title 7, Chapter 161, Subchapter A, Section 161.176
☐ BOND FUND (for printing) Nat. Res. Code, Chapter 161, Subchapter A, Section 161.176(3)
☐ POSTAGE - GENERAL APPROPRIATIONS ACT. 74th Leg. Session, Sec. 9, HB 1, Sec. 33 (Purchase of Postage)
☑ PRO-TX Gov. Code, Title 10, Subtitle F, Sec. Ref. 2155.001, Chapter 2254, Subchapter A, Sec. 2254.001
☐ CEPRA-TX. Natural Resource Code, Chapter 33, Subchapter H
☐ CEPRA-TX. Natural Resource Code, Chapter 33, Subchapter H/ Tx. Gov. Code, Title 10, Chapter 2155, Subchapter 2155.147
☐ CSL-TX Gov. Code, Title 10, Subtitle F, Sec. Ref. 2155.001, Chapter 2254, Subchapter B, Sec. 2254.021
☐ GRANTS-TX. Gov. Code, Title 10, Subtitle D, Section 2155.140
☐ MAIL SERVICES-TX. Gov. Code, Title 10, Subtitle D, Chapter 2162.105
☐ OUTSIDE COUNSEL-TX. Gov. Code 2254.024
☐ ILC-TX. Gov. Code, Title 7, Chapter 791
☐ Other
☐ TRAINING-TX. Gov. Code, Title 6, Subtitle B, Section 656.044
☐ PURCHASE OF LAND-Nat. Res. Code, Section 51.402
☐ TELEPHONE/UTILITIES-TX. Gov. Code, Chapter 2155, Ref. 2155.01d
☐ IAC-TX. Gov. Code, Title 7, Chapter 771
☐ OSPRA-TX. Nat. Res. Code, Chapter 40

ALL OBLIGATIONS OF $25,000 OR MORE MUST BE ADVERTISED ON THE TEXAS MARKETPLACE

Rev. 5/04

GLO Contract No. 05-093

ase Requisition

xas General Land Office

Do not place an Order. The Purchasing Department MUST place this order in compliance with State Laws & Regulations.

Req. No. 305 - 5-0532

GSC PO # _____ Date _____

Program/Division	Requestor	Phone Number	Date Initiated
Asset Mgmt./Real Estate	Sharon Clark	5-1401	07/16/2004

Justification for Purchase:

An RFQ was done for survey companies that are able to do survey work throughout Texas on agency and Permanent School Fund land on an as needed basis.

CONTRACT TYPE: NEW ☑ Prof. Svcs. ☐ Cons. ☐ Int. Agency ☐ Int. Local ☐ O/S Counsel ☐ MOU ☐ MOA ☐ Letter Agr. ☐ Other (Kind) _____ ☐ Renewal of Contract # _____

AMENDMENT TO: ☐ Add ☐ Decrease ☐ Time ☐ Funding REQUESTED BY: ☐ GLO ☐ Vendor

DUE TO: ☐ Extra Task(s) ☐ High Bids ☐ Weather dela ☐ Factors Beyond Control ☐ Other (Explain) _____

OUTSOURCING: ☐ Yes ☐ No CONTRACT WORKFORCE: ☐ Yes ☐ No WORK PRODUCT ☐ Yes ☐ No

Vendor I.D.	7429839271	(Legal Approval)	Date 8-6-04
Vendor Name	Walker Texas Surveyors, Inc.	Suggested Vendor:	
		Contact Person:	Charles G. Walker
Address	P.O. Box 324	Phone Number:	(512) 259-3361
City/State	Cedar Park, TX Zip 78630	Fax Number:	(512) 463-1795

DT PCC	Fund	Approp.	Comptroller	GLO	PCA	Amount
9	007	28984	7253	4121	11791	$00.00
					31722	$00.00

BUDGET ANPS ENTRY By: Date:

Notes/Comments:
Services not to exceed $55,000. For 11791 (agency) & $110,000 for 31722 (PSF) thru 8/31/05. Funds will be encumbered/vendor.

Item	Commodity Code	Description of Product/Service	Quantity	UOM	Unit Price	Estimated Cost
		Class 925 Item 86				
		The GLO may issue General Work Orders to 10 surveying firms	1		$0.00	$0.00
		for surveys on either agency land or possible Permanent Schoo				$0.00
		Fund acquisitions. Contract(s) may be renewed two additional				$0.00
		fiscal years 1st thru 8/31/06; 2nd thru 8/31/07.				$0.00
						$0.00
						$0.00
						$0.00
					Additional Page Total:	$0.00
					Total:	$0.00

Contract Dates: From: 09/01/2004 To: 08/31/2005

SIGNATURES/APPROVALS:

Director	Date 7/19/04	IS - Technology/Computer related	Date
Deputy - $1,000 and over	Date 7/16/04	PIO - Publications related	Date
Budget-Funds Available ☑ Yes ☐ No Date 7-20-04		Chief Clerk - $5,000 and over	Date

PURCHASING/ACCOUNTS PAYABLE USE

HUB VENDOR ☑ Yes ☐ No ☐ Black ☐ Asian ☑ Woman ☐ Hispanic ☐ Native American

RECYCLED PRODUCT ☐ E-1 Recycled-content ☐ E-2 Remanufactured ☐ E-3 Env. Sensitive

Posted on Market Place: ☐ Y ☐ N VCID _____ REPERS _____ Order/Begin Date 9/1/04 Due/End Date 8/31/05

Type Purchase: PRO Processed by: DT Date: _____ ANPS Entry: _____

☐ BOND FUND (use of funds to pay expenses related to the Land) Nat. Res. Code, Title 7, Chapter 161, Subchapter A, Section 161.175
☐ BOND FUND (Use of funds to pay bond expenses) Nat. Res. Code, Title 7, Chapter 161, Subchapter A, Section 161.176
☐ BOND FUND (for printing) Nat. Res. Code, Chapter 161, Subchapter A, Section 161.176(3)
☐ POSTAGE - GENERAL APPROPRIATIONS ACT. 74th Leg. Session, Sec. 9, HB 1, Sec. 33 (Purchase of Postage)
☑ PRO-TX Gov. Code, Title 10, Subtitle F, Sec. Ref. 2155.001, Chapter 2254, Subchapter A, Sec. 2254.001
☐ CEPRA-TX. Natural Resource Code, Chapter 33, Subchapter H
☐ CEPRA-TX. Natural Resource Code, Chapter 33, Subchapter H/ Tx. Gov. Code, Title 10, Chapter 2155, Subchapter 2155.147
☐ CLS-TX Gov. Code, Title 10, Subtitle F, Sec. Ref. 2155.001, Chapter 2254, Subchapter B, Sec. 2254.021
☐ GRANTS-TX. Gov. Code, Title 10, Subtitle D, Section 2155.140
☐ MAIL SERVICES-TX. Gov. Code, Title 10, Subtitle D, Chapter 2162.105
☐ OUTSIDE COUNSEL-TX. Gov. Code 2254.024
☐ ILC-TX. Gov. Code, Title 7, Chapter 791
☐ IAC-TX. Gov. Code, Title 7, Chapter 771
☐ TRAINING-TX. Gov. Code, Title 6, Subtitle B, Section 656.044
☐ PURCHASE OF LAND-Nat. Res. Code, Section 51.
☐ TELEPHONE/UTILITIES-TX. Gov. Code, Chapter 2155, Ref. 2155.01d
☐ OSPRA-TX. Nat. Res. Code, Chapter 40
☐ Other

ALL OBLIGATIONS OF $25,000 OR MORE MUST BE ADVERTISED ON THE TEXAS MARKETPLACE

Rev. 8/03

WALKER
TEXAS SURVEYORS, INC.
P. O. Box 324
Cedar Park, Texas 78630-0324
(512) 259-3361 Phone
(512) 259-3381 Fax

Invoice

BILL TO
General Land Office P. O. Box 12873 Austin, Texas 78711

DATE	INVOICE #
7/6/2005	341001

DESCRIPTION	HOURS	RATE	AMOUNT
Professional Land Surveying Services provided for: 112 acre tract in San Marcos, Hayes County, Texas - Work Order# 05-093-WO-01, GLO Contract # 05-093, Requisition # 5-154			
Survey work completed 6/13/05-7/6/05		6,580.00	6,580.00
Project 100% Complete			
OK to pay J. Clark 7/12/05			

Due upon receipt	Tax Exempt (0.0%)	$0.00
	Total	**$6,580.00**

Your business is appreciated.
Let us know if we can be of any further assistance.

(16)

File No. 155377

Hays County

Purchase Reg. - Expenses

Date Filed: 4-30-05

Jerry E. Patterson, Commissioner

By Isabel Alfaro

SCANNED
DATE 10-2-07

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

SPECIAL WARRANTY DEED

STATE OF TEXAS §
§ **KNOW ALL BY THESE PRESENTS:**
COUNTY OF HAYS §

That we, **CAPITAL FORESIGHT LIMITED PARTNERSHIP, a Nevada limited partnership** (collectively called **"Grantors"**, whether one or more), of the County of Clark and State of Nevada for and in consideration of **FOUR MILLION EIGHT HUNDRED SEVENTY EIGHT THOUSAND SEVEN HUNDRED NINTY TWO AND 75/100 DOLLARS ($4,878,792.75)**, and other good and valuable consideration to the undersigned paid by the Grantee herein named, the receipt and sufficiency of which is hereby acknowledged, and for which no lien is either expressed or implied, has GRANTED, SOLD and CONVEYED, and by these presents does GRANT, SELL and CONVEY unto **THE STATE OF TEXAS FOR THE USE AND BENEFIT OF THE PERMANENT SCHOOL FUND** (**"Grantee"**), whose mailing address is 1700 North Congress Avenue, Austin, Texas 78701, the following described land in Williamson County, Texas, to-wit:

> All that certain tract or parcel of land comprising 113.133 acres of land, more or less, out of **THE J.M. VERAMEND SURVEY NO. 1, ABSTRACT NO. 17**, in Hays County, Texas, being more particularly described by metes and bounds in Exhibit **"A"** attached hereto and made a part hereof, hereinafter called **"Land"**.

TO HAVE AND HOLD the above described Land, together with any and all buildings and other improvements now located on said Land and together with all and singular the rights and appurtenances pertaining to such Land, including any right, title or interest of Grantor to adjacent strips, gores, roads, streets, alleys and easements of right of way, if any, unto the Grantee, its successors and assigns forever, and Grantors do hereby bind Grantors heirs, executors and administrators to **WARRANT AND FOREVER DEFEND** all and singular the said premises unto the Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof, by and through the Grantors, but not otherwise.

This conveyance is made subject to all covenants, conditions, reservations, rights-of-way, easements, and leases, if any, that are valid, in existence, and of record, or visible and apparent

upon the ground of the above described Land, together with the "Permitted Exceptions" on **Exhibit "B"** attached hereto and made a part hereof for all pertinent purposes.

Executed this the 18th day of August, 2005, to be effective August 19, 2005.

Grantor:

CAPITAL FORESIGHT LIMITED PARTNERSHIP,
a Nevada limited partnership

By: Naty Saidoff,
its General Partner

ACKNOWLEDGEMENTS

STATE OF _____ §
§
COUNTY OF _____ § See attached

This instrument was acknowledged before me on this the _____ day of _____ 2005, by **Naty Saidoff**, as General Partner of **CAPITAL FORESIGHT LIMITED PARTNERSHIP**, a Nevada limited partnership, on behalf of said entity and in the capacity and for the purpose and consideration therein expressed.

_____

Notary Public, State of _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California
County of Los Angeles } ss.

On August 18, 2005 (Date) before me, Michelle Danielle Sutlovich (Name and Title of Officer (e.g., "Jane Doe, Notary Public")),
personally appeared Naty Saidoff (Name(s) of Signer(s)),

☑ personally known to me
☐ proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Michelle Danielle Sutlovich
Signature of Notary Public

MICHELLE DANIELLE SUTLOVICH
Commission # 1449129
Notary Public - California
Los Angeles County
My Comm. Expires Nov 3, 2007

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Special Warranty Deed

Document Date: August 18, 2005 Number of Pages: 6

Signer(s) Other Than Named Above: N/A

Capacity(ies) Claimed by Signer

Signer's Name: Naty Saidoff

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

☐ Individual
☐ Corporate Officer — Title(s): _____
☑ Partner — ☐ Limited ☑ General
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: _____

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WALKER
TEXAS SURVEYORS, INC.
P. O. Box 324
Cedar Park, Texas 78630-0324
(512) 259-3361 Phone
(512) 259-3381 Fax

PERIMETER DESCRIPTION
113.133 ACRE TRACT OF LAND
J.M. VERAMENDI SURVEY NO. 1, ABSTRACT NO. 17
HAYS COUNTY, TEXAS

BEING A 113.133 ACRE TRACT OF LAND OUT OF AND PART OF THE J.M. VERAMENDI SURVEY NUMBER 1, ABSTRACT NUMBER 17 IN HAYS COUNTY, TEXAS, SAID 113.133 ACRE TRACT BEING OUT OF AND PART OF A CALLED 121.52 ACRE TRACT OF LAND CONVEYED TO CAPITAL FORESIGHT LIMITED PARTNERSHIP, RECORDED IN VOLUME 1336, PAGE 595 OF OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS. SAID 113.133 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING, at a 1/2" Iron Rod found (Capped "Byrn") for the East corner of said 121.52 acre tract, in the West line of Interstate Highway No. 35 (300' Right-of-Way per Volume 9, Page 399 of the Hays County, Texas Plat Records), also being the South corner of a called 3.15 acre tract of land conveyed to Gulf Business Forms, Inc. as recorded in Volume 357, Page 703 of the Hays County, Texas Deed Records, for the East corner hereof;

THENCE, with the common line of said 121.52 acre tract and said Interstate Highway No. 35, **South 43°34'50" West**, a distance of **2931.79** feet to a 1/2" Iron Rod found (Capped "Byrn") in the West line of said Interstate Highway No. 35, being the East corner of Lot 1, Block 1 of "San Marcos Outlet Park", a subdivision in Hays County, Texas, recorded in Volume 9, Page 399 of the Hays County, Texas Plat Records, for the South corner hereof;

THENCE, leaving the West line of said Interstate Highway No. 35, with the Northeast line of said Lot 1, Block 1 of "San Marcos Outlet Park", **North 45°57'47" West**, a distance of **730.65** feet to a 1/2" Iron Rod found (Capped "Byrn") for the North corner of said Lot 1, Block 1 of "San Marcos Outlet Park", being an interior point hereof;

THENCE, with the Northwest line of said Lot 1, Block 1 of "San Marcos Outlet Park", **South 43°34'29" West**, a distance of **499.98** feet to a 1/2" Iron Rod found (Capped "Byrn") for the West corner of said Lot 1, Block 1 of "San Marcos Outlet Park", being the North corner of the residual of a called 9.438 acre tract of land conveyed to KBLB Partners as recorded in Volume 1266, Page 132 of the Real Property Records of Hays County, Texas, also being the East corner of a called 0.75 acre tract of land conveyed to Capital Foresight as recorded in Volume 1473, Page 700 of the Real Property Records of Hays County, Texas, also being in the Southwest line of said 121.52 acre tract, for an exterior corner hereof;

THENCE, with the common line of said 0.75 acre tract and said 121.52 acre tract, **North 45°56'28" West**, a distance of **59.84** feet to a "Mag" Nail found in concrete for the North corner of said 0.75 acre tract, being an angle point of the said 121.52 acre tract, also being the East corner of the residual of a called 20 acre tract of land conveyed to Tereso Tobias as recorded in Volume 139, Page 383 of the Hays County, Texas Deed Records, for an angle point hereof;

THENCE, with the common line of said 121.52 acre tract and the residual of said 20 acre tract (said tract having been cut into numerous small parcels all of which as referenced on the separate sketch of this survey), **North 45°49'24" West**, a distance of **843.66** feet to a 1/2" Iron Rod found (Capped "Byrn") for the North corner of said 20 acre tract, being the West corner of said 121.52 acre tract, also being in the Southeast line of the Missouri, Kansas and Texas Railroad as recorded in Volume 41, Page 12 of the Hays County, Texas Deed Records, for the West corner hereof;

THENCE, with the common line of said 121.52 acre tract and said Missouri, Kansas and Texas Railroad, **North 46°39'52" East**, a distance of **3437.82** feet to a 1/2" Iron Rod found in the Southeast line of said Missouri, Kansas and Texas Railroad, for the North corner of said 121.52 acre tract, being the West corner of Lot 1 of "Thermon Industrial Park No. 2", a subdivision in Hays County, Texas, recorded in Volume 5, Page 6 of the Hays County, Texas Plat Records, for the North corner hereof;

THENCE, with the common line of said 121.52 acre tract and said Lot 1 of "Thermon Industrial Park No. 2" and the said 3.15 acre Gulf Business Forms, Inc. tract, **South 45°46'49" East**, a distance of **1449.17** feet back to the place and **POINT OF BEGINNING**, containing 113.133 Acres of land.

Bearing basis for this tract is based upon the Texas State Plane Coordinate System, NAD83/93 HARN, Texas South Central Zone (U.S. Survey Feet).

This perimeter description is a part of and accompanies a separate sketch of this survey.

Surveyed under the direction and supervision of the undersigned:

June 15, 2005
Date of field survey

Charles G. Walker
Registered Professional Land Surveyor
Number 5283
341001.doc

Exhibit "B"
Permitted Exceptions

1. Easement executed by G.M. Jackson, to Texas Public Utilities Company, dated July 10, 1925, recorded in/under 90/342 of the Real Property Records of Hays County, Texas. (Easement or right-of-way for an electric transmission and distribution line, and all necessary or desirable appurtenances, together with all rights recited therein)

2. Easement executed by Jasba Gmbh, a German limited company, to City of San Marcos, dated August 9, 1993, recorded in/under 1015/570 of the Real Property Records of Hays County, Texas. (Easement and right-of-way for electric transmission and/or distribution lines, and all necessary or desirable appurtenances, together with all rights recited therein)

3. Easement executed by Capital Foresight Limited Partnership, to City of San Marcos, a Municipal Corporation, filed June 29, 1998, recorded in/under 1427/909 of the Real Property Records of HAYS County, Texas, (a nonexclusive private easement for public utilities, and free ingress, egress and regress, together with all rights recited therein)

4. Easement executed by Capital Foresight Limited Partnership, to City of San Marcos, a Municipal Corporation, filed June 29, 1998, recorded in/under 1427/915 of the Real Property Records of Hays County, Texas, (a nonexclusive private easement for public utilities, and free ingress, egress and regress, together with all rights recited therein)

5. Easement executed by Capital Foresight Limited Partnership a Nevada Limited Partnership, to KBLB Partners, a Texas General Partnership composed of E.W. Richardson, K.K. Blewett, and Kevin Blewett, dated October 19, 1998, recorded in/under 1472/568 of the Real Property Records of Hays County, Texas. (Easement for drainage, together with all rights recited therein)

6. Easement executed by Capital Foresight Limited Partnership, to City of San Marcos, Texas, dated December 8, 2003, recorded in/under 2367/477 of the Real Property Records of Hays County, Texas. (Easement for wastewater pipe line and related appurtenances including utility facilities, together with all rights recited therein)

7. Deed Dedicating Drainage And Public Utility Easement executed by Capital Foresight Limited Partnership, to City of San Marcos, dated October 9, 2001, recorded in/under 2683/653 of the Real Property Records of Hays County, Texas.

8. Terms, conditions and stipulations contained in Public Improvement Construction And Financing Agreement executed by and between City of San Marcos, Texas, and Financial Management Group, a Partnership comprised of Heinz Schwaderlapp, et al, dated May 16, 1985, recorded in/under 549/234 of the Real Property Records of Hays County, Texas.

Exhibit "B"
Permitted Exceptions - Continued

9. Subject property lies within the boundaries of Edwards Underground Water District.

10. Overhead utility line(s) with poles and guys located along the northeast property line as shown on the survey prepared by Charles G. Walker R.P.L.S. No. 5283, dated June 15,2005.

11. Any rights, claims and/or easements in connection with the two sewer cleanouts lying outside of the utility easement traversing the subject property as shown on the survey prepared by Charles G. Walker R.P.L.S. No. 5283, dated June 15,2005.

12. Unrecorded lease agreements dated March 10, 2000 by and between Capital Foresight, LP, a Nevada Limited Partnership, as lessor and Gunnarson Outdoor Advertising, Inc. and Ivar L. Gunnarson, individually as Lessee.

13. To the extent that it affects the Land, all laws, codes, regulations, ordinances of any governmental or quasi governmental entity that have not been objected to by Buyer.

After recording return to:

Texas General Land Office
P.O. Box 12873
Austin, Texas 78711-2873

Attn: Dewayne Naumann
Asset Management Division

(17)

File No. 155377

Hays County

Deed

Date Filed: 11-30-05

Jerry E. Patterson, Commissioner

By Isabel Alfaro

SCANNED
DATE 10-2-07

ASSIGNMENT OF LEASES

THIS ASSIGNMENT OF LEASES (hereinafter called this "Assignment") is made and entered into effective as of the 19 day of August, 2005, between Capital Foresight Limited Partnership, a Nevada limited partnership (the "Assignor"), and The State of Texas for the use and benefit of the Permanent School Fund (the "Assignee").

W I T N E S S E T H:

That the Assignor, for good and valuable consideration, the receipt of which is hereby acknowledged, hereby GRANTS, TRANSFERS and ASSIGNS to the Assignee all of Assignor's right, title and interest in and to (i) that certain Lease dated March 10, 2000 (as amended, the "41 Lease"), by and between Assignor, as "Landlord" and Gunnarson Outdoor Advertising, Inc. and Ivar L. Gunnarson, individually, as "Tenant" and (ii) that certain Lease dated March, 2000 (as amended, the "42 Lease"), by and between Assignor, as "Landlord" and Gunnarson Outdoor Advertising, Inc. and Ivar L. Gunnarson, individually, as "Tenant" (collectively the items described in (i) through (ii) above being herein called the "Property").

TO HAVE AND TO HOLD the Property, together with all and singular the rights, titles, and interests thereto in anywise belonging, to Assignee, its successors and assigns forever, subject to the matters to which that certain Special Warranty Deed ("Deed") of even date herewith from Assignor to Assignee conveying the property described on Exhibit A hereto is made subject as fully as if and for all purposes as if the Property were included and described in the Deed.

It is understood and agreed that, by Assignee's execution hereof, Assignee hereby assumes and agrees to perform all of the terms, covenants, conditions and obligations of the Assignor or owner of the Premises under or with respect to the Property arising or accruing on or after the date hereof. Assignee agrees to notify the tenants under the Leases of the sale of the Premises, that Assignee has purchased the Premises and is entitled to all rents accruing on or after the date hereof.

EXECUTED as of the date first above written.

ASSIGNOR:

Capital Foresight Limited Partnership, a Nevada limited partnership

By:_____
Name: Naty Saidoff
Title: General Partner

THE STATE OF CALIFORNIA §
§
COUNTY OF _____ §

This instrument was acknowledged before me on _____, 2005, by Naty Saidoff, general partner of Capital Foresight Limited Partnership, a Nevada limited partnership, on behalf of said limited partnership.

see attached

_____
Notary Public in and for
the State of California
Printed Name:_____

My commission expires:_____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California
County of Los Angeles } ss.

On August 18, 2005 (Date) before me, Michelle Danielle Sutlovich (Name and Title of Officer (e.g., "Jane Doe, Notary Public")),
personally appeared Nam Saidoff (Name(s) of Signer(s)),

☑ personally known to me
☐ proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Michelle Danielle Sutlovich
Signature of Notary Public

MICHELLE DANIELLE SUTLOVICH
Commission # 1449129
Notary Public - California
Los Angeles County
My Comm. Expires Nov 3, 2007

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

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ASSIGNEE:

The State of Texas, by and through the Commissioner of the Texas General Land Office, acting on behalf of the Permanent School Fund

By:_____
Name: DEWAYNE D. NAUMANN
Title: CLOSING MANAGER

THE STATE OF TEXAS §
§
COUNTY OF TRAVIS §

This instrument was acknowledged before me on July 19, 2005, by DeWayne D. Naumann, Closing Manager of The State of Texas, by and through the Commissioner of the Texas General Land Office, acting on behalf of the Permanent School Fund, on behalf of said GLO/PSF.

MONA McMAHAN
Notary Public
STATE OF TEXAS
My Comm. Exp. 08-14-2008

_____
Notary Public in and for
the State of T E X A S
Printed Name:_____

My commission expires:_____

EXHIBIT "A"

WALKER
TEXAS SURVEYORS, INC.
P. O. Box 324
Cedar Park, Texas 78630-0324
(512) 259-3361 Phone
(512) 259-3381 Fax

PERIMETER DESCRIPTION
113.133 ACRE TRACT OF LAND
J.M. VERAMENDI SURVEY NO. 1, ABSTRACT NO. 17
HAYS COUNTY, TEXAS

BEING A 113.133 ACRE TRACT OF LAND OUT OF AND PART OF THE J.M. VERAMENDI SURVEY NUMBER 1, ABSTRACT NUMBER 17 IN HAYS COUNTY, TEXAS, SAID 113.133 ACRE TRACT BEING OUT OF AND PART OF A CALLED 121.52 ACRE TRACT OF LAND CONVEYED TO CAPITAL FORESIGHT LIMITED PARTNERSHIP, RECORDED IN VOLUME 1336, PAGE 595 OF OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS. SAID 113.133 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING, at a 1/2" Iron Rod found (Capped "Byrn") for the East corner of said 121.52 acre tract, in the West line of Interstate Highway No. 35 (300' Right-of-Way per Volume 9, Page 399 of the Hays County, Texas Plat Records), also being the South corner of a called 3.15 acre tract of land conveyed to Gulf Business Forms, Inc. as recorded in Volume 357, Page 703 of the Hays County, Texas Deed Records, for the East corner hereof;

THENCE, with the common line of said 121.52 acre tract and said Interstate Highway No. 35, **South 43°34'50" West**, a distance of **2931.79** feet to a 1/2" Iron Rod found (Capped "Byrn") in the West line of said Interstate Highway No. 35, being the East corner of Lot 1, Block 1 of "San Marcos Outlet Park", a subdivision in Hays County, Texas, recorded in Volume 9, Page 399 of the Hays County, Texas Plat Records, for the South corner hereof;

THENCE, leaving the West line of said Interstate Highway No. 35, with the Northeast line of said Lot 1, Block 1 of "San Marcos Outlet Park", **North 45°57'47" West**, a distance of **730.65** feet to a 1/2" Iron Rod found (Capped "Byrn") for the North corner of said Lot 1, Block 1 of "San Marcos Outlet Park", being an interior point hereof;

THENCE, with the Northwest line of said Lot 1, Block 1 of "San Marcos Outlet Park", **South 43°34'29" West**, a distance of **499.98** feet to a 1/2" Iron Rod found (Capped "Byrn") for the West corner of said Lot 1, Block 1 of "San Marcos Outlet Park", being the North corner of the residual of a called 9.438 acre tract of land conveyed to KBLB Partners as recorded in Volume 1266, Page 132 of the Real Property Records of Hays County, Texas, also being the East corner of a called 0.75 acre tract of land conveyed to Capital Foresight as recorded in Volume 1473, Page 700 of the Real Property Records of Hays County, Texas, also being in the Southwest line of said 121.52 acre tract, for an exterior corner hereof;

THENCE, with the common line of said 0.75 acre tract and said 121.52 acre tract, **North 45°56'28" West,** a distance of **59.84** feet to a "Mag" Nail found in concrete for the North corner of said 0.75 acre tract, being an angle point of the said 121.52 acre tract, also being the East corner of the residual of a called 20 acre tract of land conveyed to Tereso Tobias as recorded in Volume 139, Page 383 of the Hays County, Texas Deed Records, for an angle point hereof;

THENCE, with the common line of said 121.52 acre tract and the residual of said 20 acre tract (said tract having been cut into numerous small parcels all of which as referenced on the separate sketch of this survey), **North 45°49'24" West,** a distance of **843.66** feet to a 1/2" Iron Rod found (Capped "Byrn") for the North corner of said 20 acre tract, being the West corner of said 121.52 acre tract, also being in the Southeast line of the Missouri, Kansas and Texas Railroad as recorded in Volume 41, Page 12 of the Hays County, Texas Deed Records, for the West corner hereof;

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THENCE, with the common line of said 121.52 acre tract and said Lot 1 of "Thermon Industrial Park No. 2" and the said 3.15 acre Gulf Business Forms, Inc. tract, **South 45°46'49" East,** a distance of **1449.17** feet back to the place and **POINT OF BEGINNING,** containing 113.133 Acres of land.

Bearing basis for this tract is based upon the Texas State Plane Coordinate System, NAD83/93 HARN, Texas South Central Zone (U.S. Survey Feet).

This perimeter description is a part of and accompanies a separate sketch of this survey.

Surveyed under the direction and supervision of the undersigned:

Charles G. Walker
Registered Professional Land Surveyor
Number 5283
341001.doc

June 15, 2005
Date of field survey

(18)

File No. 155377

Hays County

Assignment of Leases

Date Filed: 11-30-05

Jerry E. Patterson, Commissioner

By Isabel Alfaro

SCANNED
DATE 10-2-07

August 19, 2005

TENANT NOTICE
Billboard #41

Gunnarson Outdoor Advertising, Inc. and
Ivar L. Gunnarson, individually
1801 IH 35 South
Big Gunnarson Building
San Marcos, TX 78666

VIA FEDERAL EXPRESS

RE: Your lease (the "Lease") of space for Billboard #41 in San Marcos, Hays County, Texas (the "Project"), which Lease is attached hereto as Exhibit A and made a part hereof for all purposes

Gentlemen:

You are hereby notified that Capital Foresight, LP ("Seller"), as owner of the Project and the current owner of the landlord's interest under the Lease, has sold the Project to The State of Texas for the use and benefit of the Permanent School Fund ("Purchaser"), as of the date of this Tenant Notice set forth above, and in connection with such sale Seller has assigned and transferred its interest in the Lease and any and all security deposits thereunder or relating thereto to Purchaser, and Purchaser has assumed and agreed to perform the landlord's obligations under the Lease (including any obligations set forth in the Lease to repay or account for any security deposits thereunder) from and after such date. Accordingly, (a) all of your obligations under the Lease from and after the date of this Tenant Notice (including your obligation to pay rent) shall be performable to and for the benefit of Purchaser, it successors and assigns, and (b) the obligations of the landlord under the Lease (including any obligations to repay or account for any security deposits thereunder) from and after the date of this Tenant Notice shall be the binding obligations of Purchaser and its successors and assigns. The current amount of the security deposit being held by the Purchaser with respect to the Lease is $0.00.

The address of Purchaser for all purposes under the Lease (including the payments of rentals, the recoupment of any security deposits and the giving of any notices provided for in the Lease) is 1700 North Congress Avenue, Room 910, Austin, TX 78701.

Very truly yours,

"Purchaser"

The State of Texas, by and through the Commissioner of the Texas General Land Office, acting on behalf of the Permanent School Fund

By: _____
Name: DEDMINE D. NAUMANN
Title: CLOSING MANAGER

AGREED TO AND ACCEPTED:

Capital Foresight Limited Partnership,
a Nevada limited partnership

By: _____,
Naty Saidoff, its general partner

LEASE AGREEMENT

CITY: San Marcos COUNTY: Hays STATE: Texas

CAPITAL FORESIGHT, LP, a Nevada Limited Partnership, LESSOR, does hereby lease to GUNNARSON OUTDOOR ADVERTISING, INC. and IVAR L. GUNNARSON, individually, LESSEE, that portion of LESSOR's property located in Hays County, Texas, on the West side of Interstate Highway No. 35, about 3/4 mile south of Wonder World Dr., MP 202.1, and further described as: Sign #41 (12'X40' Illuminated Billboard) as indicated on attached map.

The purpose of this lease is to give LESSEE the exclusive right to construct, maintain, and service one (1) painted, printed or illuminated outdoor advertising sign(s) including necessary structures, devices and connections at the above location.

The rent payable to LESSOR shall be $500.00 per month for nine (9) months (November 10, 1999 through August 9, 2000 @ $4500.00 total), payable in advance. Thereafter rent payable to LESSOR shall be $600.00 per month, payable monthly on the 10th day of each month.

This lease shall begin on the 10th day of November, 1999, and end on the 9th day of August, 2004.

It is agreed between the parties that LESSEE shall remain the owner of all advertising signs, structures, and any other improvement erected by LESSEE, and notwithstanding the fact that the same may constitute real property fixtures, the LESSEE shall have the right and option to remove said signs, structures, and improvements erected by LESSEE, and at any time during the terms of the lease or after the termination or expiration of the lease, provided that prior to removal LESSEE has paid the full amount of rent for the term hereof, and subject to the next paragraph below.

In the event that LESSEE fails to pay LESSOR rent on time when due for three (3) consecutive months, upon written notification by any method, LESSEE shall have ten (10) days to cure such default or ownership of all of LESSEE's signs and other improvements on the property shall be immediately transferred to LESSOR without the necessity of any additional documentation or consent.

If during the term of the lease or any holdover or renewal term, the property is developed for any purpose other than outdoor advertising, LESSEE shall remove all signs and other improvements upon ninety (90) days written notice from LESSOR.

LESSEE agrees for itself and any affiliate, subsidiary, partner, shareholder or agent of LESSEE that no sign shall be erected within 1500 feet of the location of the sign as shown on the map attached to this lease, within six months after the removal of the sign from the property.

No advertising on the property shall contain any pornographic material nor shall it advertise pornographic material.

This document shall constitute the sole agreement of the parties relating to the lease of the described property. Neither party shall be bound by any statements, oral or written, unless such statements are set forth specifically in this lease.

LESSOR represents that he is the owner of the property covered and described in this lease and has the authority to execute this lease.

In the event of condemnation or the threat of condemnation or acquisition by any lawful governmental authority, LESSEE will have the right to participate in any condemnation award or settlement to the extent of its damage for the loss of the use of its sign(s) including the cost of removal or replacement from the leased premises but only so long as a separate award for those items are made the condemnor. In no event will the LESSEE be compensated for loss of the leasehold interest or share any portion of LESSOR's award.

This agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors, and assigns of the respective parties hereto.

Dated: _____, 2000.

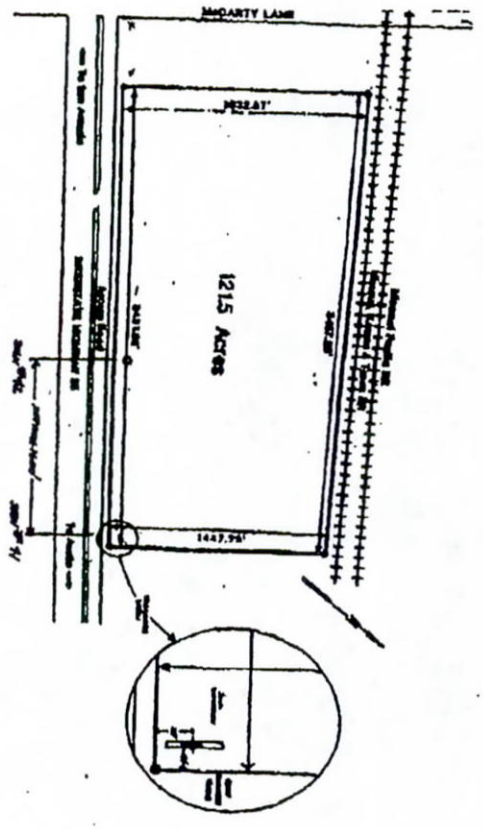
GUNNARSON OUTDOOR ADVERTISING, INC.

By: _____
IVAR L. GUNNARSON, President

_____
IVAR L. GUNNARSON

CAPITAL FORESIGHT, LP

By: _____
NATY SAIDOFF, General Partner


McCARTY LANE
1215 Acres

(19)

File No. 155377

Hays County

Tenant Notice

Date Filed: 11-30-05

Jerry E. Patterson, Commissioner

By Isabel Alfaro

SCANNED
DATE 10-2-07

August 19, 2005

TENANT NOTICE
Billboard #42

Gunnarson Outdoor Advertising, Inc. and
Ivar L. Gunnarson, individually
1801 IH 35 South
Big Gunnarson Building
San Marcos, TX 78666

VIA FEDERAL EXPRESS

RE: Your lease (the "Lease") of space for Billboard #42 in San Marcos, Hays County, Texas (the "Project"), which Lease is attached hereto as Exhibit A and made a part hereof for all purposes

Gentlemen:

You are hereby notified that Capital Foresight, LP ("Seller"), as owner of the Project and the current owner of the landlord's interest under the Lease, has sold the Project to The State of Texas for the use and benefit of the Permanent School Fund ("Purchaser"), as of the date of this Tenant Notice set forth above, and in connection with such sale Seller has assigned and transferred its interest in the Lease and any and all security deposits thereunder or relating thereto to Purchaser, and Purchaser has assumed and agreed to perform the landlord's obligations under the Lease (including any obligations set forth in the Lease to repay or account for any security deposits thereunder) from and after such date. Accordingly, (a) all of your obligations under the Lease from and after the date of this Tenant Notice (including your obligation to pay rent) shall be performable to and for the benefit of Purchaser, it successors and assigns, and (b) the obligations of the landlord under the Lease (including any obligations to repay or account for any security deposits thereunder) from and after the date of this Tenant Notice shall be the binding obligations of Purchaser and its successors and assigns. The current amount of the security deposit being held by the Purchaser with respect to the Lease is $0.00.

The address of Purchaser for all purposes under the Lease (including the payments of rentals, the recoupment of any security deposits and the giving of any notices provided for in the Lease) is 1700 North Congress Avenue, Room 910, Austin, TX 78701.

Very truly yours,

"Purchaser"

The State of Texas, by and through the Commissioner of the Texas General Land Office, acting on behalf of the Permanent School Fund

By: _____
Name: DEWAYNE D. NAUMANN
Title: CLOSING MANAGER

AGREED TO AND ACCEPTED:

Capital Foresight Limited Partnership,
a Nevada limited partnership

By: _____,
Naty Saidoff, its general partner

LEASE AGREEMENT

CITY: San Marcos COUNTY: Hays STATE: Texas

CAPITAL FORESIGHT, LP, a Nevada Limited Partnership, LESSOR, does hereby lease to GUNNARSON OUTDOOR ADVERTISING, INC. and IVAR L. GUNNARSON, individually, LESSEE, that portion of LESSOR's property located in Hays County, Texas, on the West side of Interstate Highway No. 35, about 1 mile south of Wonder World Dr., MP 201.8, and further described as: Sign #42 (12'X40' illuminated Billboard) as indicated on attached map.

The purpose of this lease is to give LESSEE the exclusive right to construct, maintain, and service one (1) painted, printed or illuminated outdoor advertising sign(s) including necessary structures, devices and connections at the above location.

The rent payable to LESSOR shall be $500.00 per month for nine (9) months (November 10, 1999 through August 9, 2000 @ $4500.00 total), payable in advance. Thereafter rent payable to LESSOR shall be $600.00 per month, payable monthly on the 10th day of each month.

This lease shall begin on the 10th day of November, 1999, and end on the 9th day of August, 2004.

It is agreed between the parties that LESSEE shall remain the owner of all advertising signs, structures, and any other improvement erected by LESSEE, and notwithstanding the fact that the same may constitute real property fixtures, the LESSEE shall have the right and option to remove said signs, structures, and improvements erected by LESSEE, and at any time during the terms of the lease or after the termination or expiration of the lease, provided that prior to removal LESSEE has paid the full amount of rent for the term hereof, and subject to the next paragraph below.

In the event that LESSEE fails to pay LESSOR rent on time when due for three (3) consecutive months, upon written notification by any method, LESSEE shall have ten (10) days to cure such default or ownership of all of LESSEE's signs and other improvements on the property shall be immediately transferred to LESSOR without the necessity of any additional documentation or consent.

If during the term of the lease or any holdover or renewal term, the property is developed for any purpose other than outdoor advertising, LESSEE shall remove all signs and other improvements upon ninety (90) days written notice from LESSOR.

LESSEE agrees for itself and any affiliate, subsidiary, partner, shareholder or agent of LESSEE that no sign shall be erected within 1500 feet of the location of the sign as shown on the map attached to this lease, within six months after the removal of the sign from the property.

No advertising on the property shall contain any pornographic material nor shall it advertise pornographic material.

This document shall constitute the sole agreement of the parties relating to the lease of the described property. Neither party shall be bound by any statements, oral or written, unless such statements are set forth specifically in this lease.

LESSOR represents that he is the owner of the property covered and described in this lease and has the authority to execute this lease.

In the event of condemnation or the threat of condemnation or acquisition by any lawful governmental authority, LESSEE will have the right to participate in any condemnation award or settlement to the extent of its damage for the loss of the use of its sign(s) including the cost of removal or replacement from the leased premises but only so long as a separate award for those items are made the condemnor. In no event will the LESSEE be compensated for loss of the leasehold interest or share any portion of LESSOR's award.

This agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors, and assigns of the respective parties hereto.

Dated: March, 2000.

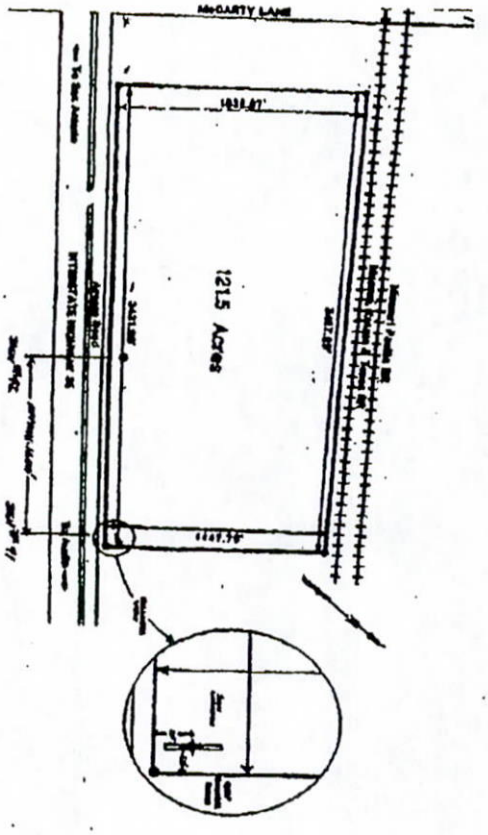
GUNNARSON OUTDOOR ADVERTISING, INC.

By: _____
IVAR L. GUNNARSON, President

_____
IVAR L. GUNNARSON

CAPITAL FORESIGHT, LP

By: _____
NATY SAIDOFF, General Partner


McCARTY LANE
121.5 Acres

(20)

File No. 155377

Hays County

Tenant Notice

Date Filed: 11-30-05

Jerry E. Patterson, Commissioner

By Isabel Alfaro

SCANNED
DATE 10-2-07

ESCROW AGREEMENT
2005 AD VALOREM PROPERTY TAXES

SELLER:	CAPITAL FORESIGHT LIMITED PARTNERSHIP
PURCHASER:	THE STATE OF TEXAS, FOR THE USE AND BENEFIT OF THE PERMANENT SCHOOL FUND
ESCROW AGENT:	LANDAMERICA AUSTIN TITLE COMPANY GF No. 12422002793
PROPERTY:	113.133 ACRES OF LAND, MORE OR LESS, OUT OF THE J.M. VERAMENDI SURVEY NO. 1, ABSTRACT NO. 17 HAYS COUNTY, TEXAS

STATE OF TEXAS
COUNTY OF HAYS

THIS AGREEMENT is made and entered into the 19 day of August, 2005, by and between Capital Foresight Limited Partnership (referred to herein as "Seller"), The State of Texas, for the use and benefit of the Permanent School Fund (referred to herein as "Purchaser") and LandAmerica Austin Title Company (referred to herein as "Escrow Agent").

WHEREAS, the undersigned Seller has heretofore entered into an Earnest Money Contract for the sale of the property to the Purchaser;

WHEREAS, the undersigned purchaser is a Tax Exempt Entity and upon recordation of the Special Warranty Deed, the Purchaser will have the Property removed from the tax rolls.

WHEREAS, the Contract to Purchase between Seller and Purchaser provides for the following:
Section 12.4 : "At closing Seller must pay all ad valorem taxes through date of closing" and
Section 12.5 : " In addition to Seller paying all taxes through the date of closing, Seller will permit Title Company to deduct from proceeds otherwise payable to Seller an amount equal to all ad valorem taxes that would be due for 2005 if the Property were in private hands."

WHEREAS, the Hays County Tax Collector has advised Escrow Agent that a tax bill will be issued for the seller's prorata share of the 2005 taxes upon receipt of a recorded copy of the Deed.

WHEREAS, the Seller and the Purchaser desire to proceed with the closing of the real estate transaction and have requested Escrow Agent to withhold an estimated amount of the ad valorem taxes from the seller's proceeds.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

1. ***Deposit of Escrow Funds.*** Seller has agreed and does hereby agree to tender funds in the amount of $25,000.00 to Escrow Agent, to be held and disbursed by Escrow Agent in accordance with the terms hereof. Said Escrow Funds shall be used for the purpose of paying to the tax collector the amount required under sections 12.4 and 12.5 of the Contract to Purchase.

2. ***Disbursement of Escrow Funds.*** The Escrow Funds shall be held by Escrow Agent until the Seller and/or Purchaser and/or the Tax Collector furnish to Escrow Agent the tax bill for the 2005 year.

3. ***Insufficiency or Overage of Escrow Funds.*** In the event that the Escrow Funds prove to be insufficient to fully pay the taxes in accordance with sections 12.4 and 12.5 of the Contract to Purchase, the Seller agrees to immediately (within 10 days of receipt of notice from Escrow Agent of the deficiency) deliver to Escrow Agent by certified funds all additional sums necessary to pay the taxes in accordance with sections 12.4 and 12.5 of the Contract to Purchase. In the event that there are excess Escrow Funds following such 2005 payment, Escrow Agent shall deliver such funds to Seller's accommodator for Seller's 1031 exchange.

4. ***Scope of Escrow Agent's Duties.*** Escrow Agent shall have no obligation or duty whatsoever to monitor the issuance of the 2005 tax bill. Seller and Purchaser shall be responsible for monitoring the 2005 tax bill and notifying the Escrow Agent in writing of the amounts to be disbursed. In the event that the Seller and/or the Purchaser gives Escrow Agent conflicting disbursement instructions and/or written notice of a controversy between the parties relating in any manner to this Escrow Agreement or the funds being held in escrow or the method or manner of disbursement of the Escrow Funds, or Escrow Agent receives adverse and conflicting claims or demands upon the Escrow Funds, or in the event a lawsuit is filed in connection herewith, or Escrow Agent is in doubt as to what action it should take hereunder, the Seller and Purchaser agree that Escrow Agent shall have the unqualified right and authority, at its sole discretion, to exercise any one or more of the following options: (i) refuse unilateral demands from either the Seller or the Purchaser for disbursement or release of the Escrow Funds and continue to hold the Escrow Funds, or any disputed portion thereof, until furnished a written release, in form and content satisfactory to Escrow Agent, signed by the Seller and the Purchaser, instructing Escrow Agent as to the disposition of the disputed funds and providing for the full reimbursement to Escrow Agent of any and all expenses, costs, charges and/or attorney's fees it may incur relating to or arising from the handling or servicing of the disputed funds; or (ii) in the event a lawsuit is instituted by any party to this Escrow Agreement relating to the Escrow Funds, Escrow Agent may deduct from the escrowed funds the amount necessary to cover its court costs, filing fees and attorney's fees, and other incidental expenses, and interplead the remaining escrow funds into the registry of the court before which the suit is pending. Escrow Agent shall not be or become liable in any way or to any party to this Escrow Agreement or other person or entity for its failure and/or refusal to act until provided joint written instructions as set out above

5. ***Indemnity and Hold Harmless.*** As additional consideration for the performance by Escrow Agent of its duties hereunder, Purchaser, to the extent permitted by law and Seller hereby agree to indemnify, defend and hold and save Escrow Agent and its title insurance underwriter-in-interest whole and harmless of, from and against all attorney's fees, fines, suits, claims, demands, disputes, losses, costs, liabilities, actions, judgments and expenses of every kind and character that may be suffered by, recovered from or asserted against Escrow Agent and/or its title insurance underwriter-in-interest in connection with the 2005 tax bill and the payment thereof by seller and/or in connection with the performance by Escrow Agent of its duties hereunder. Escrow Agent shall not be liable for any error of judgment, or for any act done or steps taken or made by it in good faith, or for any mistake of fact or law, or for anything which it may do or refrain from doing in connection herewith, with the exception of willful misconduct or gross negligence.

6. ***Miscellaneous.*** This Escrow Agreement shall be binding upon the successors and assigns of the parties hereto. This Escrow Agreement embodies the entire agreement among the parties hereto and may be amended or supplemented only by a written instrument duly executed by the respective

parties. The parties agree that all actions brought to enforce or interpret the provisions of this Escrow Agreement shall be brought in a district court of Travis County, Texas.

SELLER:

Capital Foresight Limited Partnership

Naty Saidoff, General Partner

"Seller"

PURCHASER:

The State of Texas, for the use and benefit of Permanent School Fund

DeWayne D Naylmann, Closing Manager

"Purchaser"

ESCROW AGENT:
LANDAMERICA AUSTIN TITLE COMPANY

By: _____
Mona McMahan, Vice President

File No. 155377

Hays County

Escrow Agreement

Date Filed: 10-30-05

Jerry E. Patterson, Commissioner

By Isabel Alfaro

SCANNED
DATE 10-2-07

A. Settlement Statement

U.S. Department of Housing and Urban Development

OMB No. 2502-0265

B. Type of Loan

1. ☐ FHA 2. ☐ FmHA 3. ☐ Conv Unins
4. ☐ VA 5. ☐ Conv Ins. 6. ☐ Seller Finance

6. File Number	7. Loan Number	8. Mortgage Ins Case Number
2422002793		

C. Note: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.

D. Name & Address of Borrower	E. Name & Address of Seller	F. Name & Address of Lender
The State of Texas for the use and benefit of the Permanent School Fund **1700 North Congress Avenue, Room 910** **Austin, TX 78701**	**Accommador Finance Co., as Intermediary for Capital Foresight, L.P.** **2980 Beverly Glen Cir #300** **Bel Air, CA 90077**	

G. Property Location	H. Settlement Agent Name	
113.133 Acres, JM Veramendi Survey No. 1, Abstract 17, HAYS County **S. IH 35** **San Marcos, TX 78666**	**LandAmerica Austin Title Company** **1515 Capital of Texas Highway South Fifth Floor** **Austin, TX 78746-6544 Tax ID: 752345570**	
	Place of Settlement **LandAmerica Austin Title Company** **1515 Capital of Texas Hwy., S. 5th Flr.** **Austin, TX 78746-6544**	I. Settlement Date **8/19/2005** Fund:

J. Summary of Borrower's Transaction		**K. Summary of Seller's Transaction**	
100. Gross Amount Due from Borrower		**400. Gross Amount Due to Seller**	
101. Contract Sales Price	$4,878,792.75	401. Contract Sales Price	$4,878,792.75
102. Personal Property		402. Personal Property	
103. Settlement Charges to borrower	$190.00	403.	
104.		404.	
105.		405.	
Adjustments for items paid by seller in advance		**Adjustments for items paid by seller in advance**	
106. City property taxes		406. City property taxes	
107. County property taxes		407. County property taxes	
108. Annual assessments		408. Annual assessments	
109. School property taxes		409. School property taxes	
110. MUD taxes		410. MUD taxes	
111. Other		411. Other	
112.		412.	
113.		413.	
114.		414.	
115.		415.	
116.		416.	
120. Gross Amount Due From Borrower	$4,878,982.75	**420. Gross Amount Due to Seller**	$4,878,792.75
200. Amounts Paid By Or in Behalf Of Borrower		**500. Reductions in Amount Due to Seller**	
201. Deposit or earnest money		501. Excess Deposit	
202. Principal amount of new loan(s)		502. Settlement Charges to Seller (line 1400)	$293,486.05
203. Existing loan(s) taken subject to		503. Existing Loan(s) Taken Subject to	
204. Loan Amount 2nd Lien		504. Payoff of first mortgage loan	
205.		505. Payoff of second mortgage loan	
206.		506. Escrow For taxes	$25,000.00
207.		507. Exchange Funds	$4,559,493.79
208.		508.	
209.		509.	
Adjustments for items unpaid by seller		**Adjustments for items unpaid by seller**	
210. City property taxes		510. City property taxes	
211. County property taxes		511. County property taxes	
212. Annual assessments		512. Annual assessments	
213. School property taxes		513. School property taxes	
214. MUD taxes		514. MUD taxes	
215. Other		515. Other	
216. Billboard lease 8/20-9/9	$812.91	516. Billboard lease 8/20-9/9	$812.91
217.		517.	
218.		518.	
219.		519.	
220. Total Paid By/For Borrower	$812.91	**520. Total Reduction Amount Due Seller**	$4,878,792.75
300. Cash At Settlement From/To Borrower		**600. Cash At Settlement To/From Seller**	
301. Gross Amount due from borrower (line 120)	$4,878,982.75	601. Gross Amount due to seller (line 420)	$4,878,792.75
302. Less amounts paid by/for borrower (line 220)	$812.91	602. Less reductions in amt. due seller (line 520)	$4,878,792.75
303. Cash From Borrower	$4,878,169.84	**603. Cash Seller**	$0.00

Section 5 of the Real Estate Settlement Procedures Act (RESPA) requires the following: • HUD must develop a Special Information Booklet to help persons borrowing money to finance the purchase of residential real estate to better understand the nature and costs of real estate settlement services;
• Each lender must provide the booklet to all applicants from whom it receives or for whom it prepares a written application to borrow money to finance the purchase of residential real estate; • Lenders must prepare and distribute with the Booklet a Good Faith Estimate of the settlement costs that the borrower is likely to incur in connection with the settlement. These disclosures are mandatory.

Section 4(a) of RESPA mandates that HUD develop and prescribe this standard form to be used at the time of loan settlement to provide full disclosure of all charges imposed upon the borrower and seller. These are third party disclosures that are designed to provide the borrower with pertinent information during the settlement process in order to be a better shopper.
The Public Reporting Burden for this collection of information is estimated to average one hour per response, including the time for reviewing instructions searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.
This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.
The information requested does not lend itself to confidentiality.

File No. 2[redacted]002793

L. Settlement Charges

			Paid From Borrower's Funds at Settlement	Paid From Seller's Funds at Settlement
700. Total Sales/Broker's Commission based on price	**$4,878,792.75**	**@ % = $266,333.13**		
Division of Commission (line 700) as follows:				
701. **$119,969.35**	to **Randall Morris and Associates**			
702. **$146,363.78**	to **Mike Dallas**			
703. Commission Paid at Settlement			**$0.00**	**$266,333.13**
704. The following persons, firms or	to			
705. corporations received a portion	to			
706. of the real estate commission amount	to			
707. shown above:	to			
708. line 701 is 2.5% less $2000.47	to			
800. Items Payable in Connection with Loan				
801. Loan Origination Fee %	to			
802. Loan Discount %	to			
803. Appraisal Fee	to			
804. Credit Report	to			
805. Lender's Inspection Fee	to			
806. Mortgage Insurance Application	to			
807. Assumption Fee	to			
900. Items Required by Lender To Be Paid in Advance				
901. Interest from to	@ /day			
902. Mortgage Ins Prem. for months	to			
903. Hazard Ins Prem. for years	to			
904. Flood Insurance	to			
1000. Reserves Deposited With Lender				
1001. Hazard insurance	months @	per month		
1002. Mortgage insurance	months @	per month		
1003. City property taxes	months @	per month		
1004. County property taxes	months @	per month		
1005. Annual assessments	months @	per month		
1006. School property taxes	months @	per month		
1007. MUD taxes	months @	per month		
1008. Other	months @	per month		
1009. Flood Insurance	0 months @			
1011. Aggregate Adjustment				
1100. Title Charges				
1101. Settlement or Closing Fee	to			
1102. Abstract or Title Search	to			
1103. Title Examination	to			
1104. Title Insurance Binder	to			
1105. Document Preparation	to			
1106. Notary Fees	to			
1107. Attorney's Fees	to			
(includes above items numbers:		)	[redacted]	
1108. Title Insurance	to **LandAmerica Austin Title Company**			**$26,921.50**
(includes above items numbers:		)	[redacted]	
1109. Lender's coverage	**$0.00/$0.00** .			
1110. Owner's coverage	**$4,878,792.75/$26,921.50**			
1111. Escrow Fees	to **LandAmerica Austin Title Company**		**$150.00**	**$150.00**
1112. State of Texas Policy Guaranty Fee	to **Texas Title Insurance Guaranty Association**		**$0.00**	**$1.00**
1113.	to			
1114.	to			
1115. Tax Certificates	to **Texas Tax Company**			**$40.42**
1116. Restrictions	to			
1117. Messenger / Express Mail	to **LandAmerica Austin Title Company**		**$20.00**	**$20.00**
1118. Copies	to			
1200. Government Recording and Transfer Charges				
1201. Recording Fees Deed **$20.00**	; Mortgage	; Releases	**$20.00**	
1202. City / County Tax / Stamps Deed	; Mortgage	to		
1203. State Tax / Stamps Deed	; Mortgage	to		
1204. recording Improvement Agreement	to **LandAmerica Austin Title Company**			**$20.00**
1205.	to			
1300. Additional Settlement Charges				
1301. Survey	to			
1302. Pest inspection	to			
1400. Total Settlement Charges (enter on lines 103, Section J and 502, Section K)			**$190.00**	**$293,486.05**

I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a completed copy of pages 1, 2 and 3 of this HUD-1 Settlement Statement.

[redacted] 2402793

The State of Texas for the use and benefit of the Permanent School Fund

By

Capital Foresight, L.P.

By

SETTLEMENT AGENT CERTIFICATION

The HUD-1 Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused the funds to be disbursed in accordance with this statement.

Settlement Agent

8/19/05
Date

Warning: It is a crime to knowingly make false statements to the United States on this or any other similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.

(22)

File No. 155377

Hays County

Settlment Statement

Date Filed: 11-30-05

Jerry E. Patterson, Commissioner

By Isabel Alfaro

SCANNED
DATE 6-2-07

OWNER'S POLICY OF TITLE INSURANCE

Issued by Lawyers Title Insurance Corporation

LandAmerica Lawyers Title

Lawyers Title Insurance Corporation is a member of the LandAmerica family of title insurance underwriters.

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS AND STIPULATIONS, Lawyers Title Insurance Corporation, a Virginia corporation, herein called the Company, insures, as of Date of Policy shown in Schedule A, against loss or damage, not exceeding the Amount of Insurance stated in Schedule A, sustained or incurred by the insured by reason of:

1. Title to the estate or interest described in Schedule A being vested other than as stated therein;
2. Any defect in or lien or encumbrance on the title;
3. Any statutory or constitutional mechanic's, contractor's, or materialman's lien for labor or material having its inception on or before Date of Policy;
4. Lack of a right of access to and from the land;
5. Lack of good and indefeasible title.

The Company also will pay the costs, attorneys' fees and expenses incurred in defense of the title, as insured, but only to the extent provided in the Conditions and Stipulations.

IN WITNESS WHEREOF, LAWYERS TITLE INSURANCE CORPORATION has caused its corporate name and seal to be hereunto affixed by its duly authorized officers, the Policy to become valid when countersigned by an authorized officer or agent of the Company.

LAWYERS TITLE INSURANCE CORPORATION

Attest: Secretary

LAWYERS TITLE INSURANCE CORPORATION — SEAL — 1925 — RICHMOND, VA

By: President

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.

   (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.

2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking that has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.

3. Defects, liens, encumbrances, adverse claims or other matters:
   (a) created, suffered, assumed or agreed to by the insured claimant;
   (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
   (c) resulting in no loss or damage to the insured claimant;
   (d) attaching or created subsequent to Date of Policy;
   (e) resulting in loss or damage that would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.

4. The refusal of any person to purchase, lease or lend money on the estate or interest covered hereby in the land described in Schedule A because of unmarketability of the title.

5. Any claim which arises out of the transaction vesting in the person named in paragraph 3 of Schedule A the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or other state or federal creditors' rights laws that is based on either (i) the transaction creating the estate or interest Insured by this Policy being deemed a fraudulent conveyance or fraudulent transfer or a voidable distribution or voidable dividend, (ii) the subordination or recharacterization of the estate or interest insured by this Policy as a result of the application of the doctrine of equitable subordination or (iii) the transaction creating the estate or interest insured by this Policy being deemed a preferential transfer except where the preferential transfer results from the failure of the Company or its issuing agent to timely file for record the instrument of transfer to the insured after delivery or the failure of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

CONDITIONS AND STIPULATIONS

1. DEFINITION OF TERMS.

The following terms when used in this policy mean:

(a) "insured ": the insured named in Schedule A, and, subject to any rights or defenses the Company would have had against the named insured, those who succeed to the interest of the named insured by operation of law as distinguished from purchase including, but not limited to, heirs, distributees, devisees, survivors, personal representatives, next of kin, or corporate, partnership or fiduciary successors, and specifically, without limitation, the following:

(i) the successors in interest to a corporation, limited liability company or limited liability partnership resulting from merger or consolidation or conversion or the distribution of the assets of the corporation or limited liability company or limited liability partnership upon partial or complete liquidation;

(ii) the successors in interest to a general or limited partnership or limited liability company or limited liability partnership which dissolves but does not terminate;

(iii) the successors in interest to a general or limited partnership resulting from the distribution of the assets of the general or limited partnership upon partial or complete liquidation;

(iv) the successors in interest to a joint venture resulting from the distribution of the assets of the joint venture upon partial or complete liquidation;

(v) the successor or substitute trustee(s) of a trustee named in a written trust instrument; or

(vi) the successors in interest to a trustee or trust resulting from the distribution of all or part of the assets of the trust to the beneficiaries thereof.

(b) "insured claimant": an insured claiming loss or damage.

(c) "knowledge" or "known": actual knowledge, not constructive knowledge or notice that may be imputed to an insured by reason of the public records as defined in this policy or any other records which impart constructive notice of matters affecting the land.

(d) "land": the land described or referred to in Schedule A, and improvements affixed thereto that by law constitute real property. The term "land" does not include any property beyond the lines of the area described or referred to in Schedule A, nor any right, title, interest, estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways, but nothing herein shall modify or limit the extent to which a right of access to and from the land is insured by this policy.

(e) "mortgage": mortgage, deed of trust, trust deed, or other security instrument.

(f) "public records": records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge. With respect to Section 1 (a) (iv) of the Exclusions From Coverage, "public records" also shall include environmental protection liens filed in the records of the clerk of the United States district court for the district in which the land is located.

(g) "access": legal right of access to the land and not the physical condition of access. The coverage provided as to access does not assure the adequacy of access for the use intended.

2. CONTINUATION OF INSURANCE AFTER CONVEYANCE OF TITLE.

The coverage of this policy shall continue in force as of Date of Policy in favor of an insured only so long as the insured retains an estate or interest in the land, or holds an indebtedness secured by a purchase money mortgage given by a purchaser from the insured, or only so long as the insured shall have liability by reason of covenants of warranty made by the insured in any transfer or conveyance of the estate or interest. This policy shall not continue in force in favor of any purchaser from the insured of either (i) an estate or interest in the land, or (ii) an indebtedness secured by a purchase money mortgage given to the insured.

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT.

The insured shall notify the company promptly in writing (i) in case of any litigation as set forth in Section 4(a) below, or (ii) in case knowledge shall come to an insured hereunder of any claim of title or interest that is adverse to the title to the estate or interest, as insured, and that might cause loss or damage for which the Company may be liable by virtue of this policy. If prompt notice shall not be given to the Company, then as to the insured all liability of the Company shall terminate with regard to the matter or matters for which prompt notice is required; provided, however, that failure to notify the Company shall in no case prejudice the rights of any insured under this policy unless the Company shall be prejudiced by the failure and then only to the extent of the prejudice.

When, after the date of the policy, the insured notifies the Company as required herein of a lien, encumbrance, adverse claim or other defect in title to the estate or interest in the land insured by this policy that is not excluded or excepted from the coverage of this policy, the Company shall promptly investigate the charge to determine whether the lien, encumbrance, adverse claim or defect is valid and not barred by law or statute. The Company shall notify the insured in writing, within a reasonable time, of its determination as to the validity or invalidity of the insured's claim or charge under the policy. If the Company concludes that the lien, encumbrance, adverse claim or defect is not covered by this policy, or was otherwise addressed in the closing of the transaction in connection with which this policy was issued, the Company shall specifically advise the insured of the reasons for its determination. If the Company concludes that the lien, encumbrance, adverse claim or defect is valid, the Company shall take one of the following actions: (i) institute the necessary proceedings to clear the lien, encumbrance, adverse claim or defect from the tite to the estate as insured; (ii) indemnify the insured as provided in this policy; (iii) upon payment of appropriate premium and charges therefor, issue to the insured claimant or to a subsequent owner, mortgagee or holder of the estate or interest in the land insured by this policy, a policy of title insurance without exception for the lien, encumbrance, adverse claim or defect, said policy to be in an amount equal to the current value of the property or, if a mortgagee policy, the amount of the loan; (iv) indemnify another title insurance company in connection with its issuance of a policy(ies) of title insurance without exception for the lien, encumbrance, adverse claim or defect; (v) secure a release or other document discharging the lien, encumbrance, adverse claim or defect; or (vi) undertake a combination of (i) through (v) herein.

4. DEFENSE AND PROSECUTION OF ACTIONS: DUTY OF INSURED CLAIMANT TO COOPERATE.

(a) Upon written request by the insured and subject to the options contained in Section 6 of these Conditions and Stipulations, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an insured in litigation in which any third party asserts a claim adverse to the title or interest as insured, but only as to those stated causes of action alleging a defect, lien or encumbrance or other matter insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the insured to object for reasonable cause) to represent the insured as to those stated causes of action and shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs or expenses incurred by the insured in the defense of those causes of action that allege matters not insured against by this policy.

(b) The Company shall have the right, at its own cost, to institute and prosecute any action or proceeding or to do any other act that in its opinion may be necessary or desirable to establish the title to the estate or interest, as insured, or to prevent or reduce loss or damage to the insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable hereunder, and shall not thereby concede liability or waive any provision of this policy. If the Company shall exercise its rights under this paragraph, it shall do so diligently.

(c) Whenever the Company shall have brought an action or interposed a defense as required or permitted by the provisions of this policy, the Company may pursue any litigation to final determination by a court of competent jurisdiction and expressly reserves the right, in its sole discretion, to appeal from any adverse judgment or order.

(d) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding, the insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, and all appeals therein, and permit the Company to use, at its option, the name of the insured for this purpose. Whenever requested by the Company, the insured, at the Company's expense, shall give the Company all reasonable aid (i) in any action or proceeding, securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) any other lawful act that in the opinion of the Company may be necessary or desirable to establish the title to the estate or interest as insured. If the Company is prejudiced by the failure of the insured to furnish the required cooperation, the Company's obligations to the insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

5. PROOF OF LOSS OR DAMAGE.

In addition to and after the notices required under Section 3 of these Conditions and Stipulations have been provided the Company, a proof of loss or damage signed and sworn to by the insured claimant shall be furnished to the Company within 91 days after the insured claimant shall ascertain the facts giving rise to the loss or damage. The proof of loss or damage shall describe the defect in, or lien or encumbrance on the title, or other matter insured against by this policy that constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage. If the Company is prejudiced by the failure of the insured claimant to provide the required proof of loss or damage, the Company's obligations to the insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such proof of loss or damage.

In addition, the insured claimant may reasonably be required to submit to examination under oath by any authorized representative of the Company and shall produce for examination, inspection and copying, at such reasonable times and places as may be designated by any authorized representative of the Company, all records, books, ledgers, checks, correspondence and memoranda, whether bearing a date before or after Date of Policy, which reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the insured claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect and copy all records, books, ledgers, checks, correspondence and memoranda in the custody or control of a third party, which reasonably pertain to the loss or damage. All information designated as confidential by the insured claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the insured claimant to submit for examination under oath, produce other reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in this paragraph shall terminate any liability of the Company under this policy as to that claim.

6. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY.

In case of a claim under this policy, the Company shall have the following additional options:

(a) To Pay or Tender Payment of the Amount of Insurance.

To pay or tender payment of the amount of insurance under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant, which were authorized by the Company, up to the time of payment or tender of payment and which the Company is obligated to pay.

CONTROL NUMBER B11-0133317

continued on next page of cover sheet

OWNER POLICY OF TITLE INSURANCE

SCHEDULE A

G.F. No. **2422002793**

Policy No. **2422002793**

Amount of Insurance: **$4,878,792.75**

Premium: **$26,921.50**

Date of Policy: **August 19, 2005**

1. Name of Insured: **The State of Texas for the use and benefit of the Permanent School Fund**

2. The estate or interest in the land that is covered by this policy is: **Fee Simple**

3. Title to the estate or interest in the land is insured as vested in:

   The State of Texas for the use and benefit of the Permanent School Fund

4. The land referred to in this policy is described as follows:

   113.133 acres of land, more or less, out of the J.M. VERAMENDI SURVEY NO. 1, ABSTRACT NO. 17, in HAYS County, Texas, being a portion of 121.52 acre tract conveyed to Capital Foresight Limited Partnership in Warranty Deed recorded in Volume 1336, Page 595 of the Official Public Records of HAYS County, Texas. Said 113.133 acres being more particularly described in Exhibit "A" attached hereto.

WALKER
TEXAS SURVEYORS, INC.
P. O. Box 324
Cedar Park, Texas 78630-0324
(512) 259-3361 Phone
(512) 259-3381 Fax

PERIMETER DESCRIPTION
113.133 ACRE TRACT OF LAND
J.M. VERAMENDI SURVEY NO. 1, ABSTRACT NO. 17
HAYS COUNTY, TEXAS

BEING A 113.133 ACRE TRACT OF LAND OUT OF AND PART OF THE J.M. VERAMENDI SURVEY NUMBER 1, ABSTRACT NUMBER 17 IN HAYS COUNTY, TEXAS, SAID 113.133 ACRE TRACT BEING OUT OF AND PART OF A CALLED 121.52 ACRE TRACT OF LAND CONVEYED TO CAPITAL FORESIGHT LIMITED PARTNERSHIP, RECORDED IN VOLUME 1336, PAGE 595 OF OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS. SAID 113.133 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING, at a 1/2" Iron Rod found (Capped "Byrn") for the East corner of said 121.52 acre tract, in the West line of Interstate Highway No. 35 (300' Right-of-Way per Volume 9, Page 399 of the Hays County, Texas Plat Records), also being the South corner of a called 3.15 acre tract of land conveyed to Gulf Business Forms, Inc. as recorded in Volume 357, Page 703 of the Hays County, Texas Deed Records, for the East corner hereof;

THENCE, with the common line of said 121.52 acre tract and said Interstate Highway No. 35, **South 43°34'50" West**, a distance of **2931.79** feet to a 1/2" Iron Rod found (Capped "Byrn") in the West line of said Interstate Highway No. 35, being the East corner of Lot 1, Block 1 of "San Marcos Outlet Park", a subdivision in Hays County, Texas, recorded in Volume 9, Page 399 of the Hays County, Texas Plat Records, for the South corner hereof;

THENCE, leaving the West line of said Interstate Highway No. 35, with the Northeast line of said Lot 1, Block 1 of "San Marcos Outlet Park", **North 45°57'47" West**, a distance of **730.65** feet to a 1/2" Iron Rod found (Capped "Byrn") for the North corner of said Lot 1, Block 1 of "San Marcos Outlet Park", being an interior point hereof;

THENCE, with the Northwest line of said Lot 1, Block 1 of "San Marcos Outlet Park", **South 43°34'29" West**, a distance of **499.98** feet to a 1/2" Iron Rod found (Capped "Byrn") for the West corner of said Lot 1, Block 1 of "San Marcos Outlet Park", being the North corner of the residual of a called 9.438 acre tract of land conveyed to KBLB Partners as recorded in Volume 1266, Page 132 of the Real Property Records of Hays County, Texas, also being the East corner of a called 0.75 acre tract of land conveyed to Capital Foresight as recorded in Volume 1473, Page 700 of the Real Property Records of Hays County, Texas, also being in the Southwest line of said 121.52 acre tract, for an exterior corner hereof;

THENCE, with the common line of said 0.75 acre tract and said 121.52 acre tract, **North 45°56'28" West**, a distance of **59.84** feet to a "Mag" Nail found in concrete for the North corner of said 0.75 acre tract, being an angle point of the said 121.52 acre tract, also being the East corner of the residual of a called 20 acre tract of land conveyed to Tereso Tobias as recorded in Volume 139, Page 383 of the Hays County, Texas Deed Records, for an angle point hereof;

THENCE, with the common line of said 121.52 acre tract and the residual of said 20 acre tract (said tract having been cut into numerous small parcels all of which as referenced on the separate sketch of this survey), **North 45°49'24" West**, a distance of **843.66** feet to a 1/2" Iron Rod found (Capped "Byrn") for the North corner of said 20 acre tract, being the West corner of said 121.52 acre tract, also being in the Southeast line of the Missouri, Kansas and Texas Railroad as recorded in Volume 41, Page 12 of the Hays County, Texas Deed Records, for the West corner hereof;

THENCE, with the common line of said 121.52 acre tract and said Missouri, Kansas and Texas Railroad, **North 46°39'52" East**, a distance of **3437.82** feet to a 1/2" Iron Rod found in the Southeast line of said Missouri, Kansas and Texas Railroad, for the North corner of said 121.52 acre tract, being the West corner of Lot 1 of "Thermon Industrial Park No. 2", a subdivision in Hays County, Texas, recorded in Volume 5, Page 6 of the Hays County, Texas Plat Records, for the North corner hereof;

THENCE, with the common line of said 121.52 acre tract and said Lot 1 of "Thermon Industrial Park No. 2" and the said 3.15 acre Gulf Business Forms, Inc. tract, **South 45°46'49" East**, a distance of **1449.17** feet back to the place and **POINT OF BEGINNING**, containing 113.133 Acres of land.

Bearing basis for this tract is based upon the Texas State Plane Coordinate System, NAD83/93 HARN, Texas South Central Zone (U.S. Survey Feet).

This perimeter description is a part of and accompanies a separate sketch of this survey.

Surveyed under the direction and supervision of the undersigned:

June 15, 2005

Charles G. Walker
Registered Professional Land Surveyor
Number 5283
Date of field survey
341001.doc

SCHEDULE B

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of the terms and conditions of the leases or easements insured, if any, shown in Schedule A and the following matters:

1. The following restrictive covenants of record itemized below (We must either insert specific recording data or delete this exception):

   Item 1, Schedule B is hereby deleted in its entirety.

2. **Shortages in area.**

3. Homestead or community property or survivorship rights, if any, of any spouse of any insured.

4. Any titles or rights asserted by anyone, including, but not limited to, persons, the public, corporations, governments or other entities,

   a. to tidelands, or lands comprising the shores or beds of navigable or perennial rivers and streams, lakes, bays, gulfs or oceans, or

   b. to lands beyond the line of harbor or bulkhead lines as established or changed by any government, or

   c. to filled-in lands, or artificial islands, or

   d. to statutory water rights, including riparian rights, or

   e. to the area extending from the line of mean low tide to the line of vegetation, or the rights of access to that area or easement along and across that area.

5. Standby fees, taxes and assessments by any taxing authority for the year **2005**, and subsequent years and subsequent taxes and assessments by any taxing authority for prior years due to change in land usage or ownership, but not those taxes or assessments for prior years because of an exemption granted to a previous owner of the property under Section 11.13, *Texas Tax Code*, or because of improvements not assessed for a previous tax year.

6. The following matters and all terms of the documents creating or offering evidence of the matters (We must insert matters or delete this exception.):

   a. The Company is prohibited from insuring the area or quantity of the land described herein. Any statement in the legal description contained in Schedule "A" as to area or quantity of land is not a representation that such area or quantity is correct, but is made only for informal identification purposes and does not override Item 2 of Schedule "B" hereof.

   b. Easement executed by G.M. Jackson, to Texas Public Utilities Company, dated July 10, 1925, recorded in/under 90/342 of the Real Property Records of HAYS County, Texas. (Easement or right-of-way for an electric transmission and distribution line, and all necessary or desirable appurtenances, together with all rights recited therein)

c. Easement executed by Jasba Gmbh, a German limited company, to City of San Marcos, dated August 9, 1993, recorded in/under 1015/570 of the Real Property Records of HAYS County, Texas. (Easement and right-of-way for electric transmission and/or distribution lines, and all necessary or desirable appurtenances, together with all rights recited therein)

d. Easement executed by Capital Foresight Limited Partnership, to City of San Marcos, a Municipal Corporation, filed June 29, 1998, recorded in/under 1427/909 of the Real Property Records of HAYS County, Texas. (a nonexclusive private easement for public utilities, and free ingress, egress and regress, together with all rights recited therein)

e. Easement executed by Capital Foresight Limited Partnership, to City of San Marcos, a Municipal Corporation, filed June 29, 1998, recorded in/under 1427/915 of the Real Property Records of HAYS County, Texas. (a nonexclusive private easement for public utilities, and free ingress, egress and regress, together with all rights recited therein)

f. Easement executed by Capital Foresight, a Nevada Limited Partnership, to KBLB Partners, a Texas General Partnership composed of E.W. Richardson, K.K. Blewett, and Kevin Blewett, dated October 19, 1998, recorded in/under 1472/568 of the Real Property Records of HAYS County, Texas. (Easement for drainage, together with all rights recited therein)

g. Easement executed by Capital Foresight Limited Partnership, to City of San Marcos, Texas, dated December 8, 2003, recorded in/under 2367/477 of the Real Property Records of HAYS County, Texas. (Easement for wastewater pipe line and related appurtenances including utility facilities, together with all rights recited therein)

h. Deed Dedicating Drainage And Public Utility Easement executed by Capital Foresight, Limited Partnership, to City of San Marcos, dated October 9, 2001, recorded in/under 2683/653 of the Real Property Records of HAYS County, Texas.

i. Terms, conditions and stipulations contained in Public Improvement Construction And Financing Agreement executed by and between City of San Marcos, Texas, and Financial Management group, a Partnership comprised of Heinz Schwaderlapp, et al, dated May 16, 1985, recorded in/under 549/234 of the Real Property Records of HAYS County, Texas.

j. Subject property lies within the boundaries of Edwards Underground Water District.

k. Overhead utility line(s) with poles and guys located along the northeast property line as shown on the survey prepared by Charles G. Walker R.P.L.S. No. 5283, dated June 15, 2005.

l. Any rights, claims and/or easements in connection with the two sewer cleanouts lying outside of the utility easement traversing the subject property as shown on the survey prepared by Charles G. Walker R.P.L.S. No. 5283, dated June 15, 2005.

m. Unrecorded lease agreements dated March 10, 2000 by and between Capital Foresight, LP a Nevada Limited Partnership, as lessor and Gunnarson Outdoor Advertising, Inc. and Ivar L. Gunnarson, individually as Lessee.

LandAmerica Austin Title Company

By _____
Authorized Countersignature

Upon the exercise by the Company of this option, all liability and obligations to the insured under this policy, other than to make the payment required, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, and the policy shall be surrendered to the Company for cancellation.

(b) To Pay or Otherwise Settle With Parties Other than the Insured or With the Insured Claimant.

(i) to pay or otherwise settle with other parties for or in the name of an insured claimant any claim insured against under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay; or

(ii) to pay or otherwise settle with the insured claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the company up to the time of payment and which the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in paragraphs (b)(i) or (ii), the Company's obligations to the insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

7. DETERMINATION, EXTENT OF LIABILITY AND COINSURANCE.

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the insured claimant who has suffered loss or damage by reason of matters insured against by this policy and only to the extent herein described.

(a) The liability of the Company under this policy shall not exceed the least of:

(i) the Amount of Insurance stated in Schedule A;

(ii) The difference between the value of the insured estate or interest as insured and the value of the insured estate or interest subject to the defect, lien or encumbrance insured against by this policy at the date the insured Claimant is required to furnish to Company a proof of loss or damage in accordance with Section 5 of these Conditions and Stipulations.

(b) In the event the Amount of Insurance stated in Schedule A at the Date of Policy is less than 80 percent of the value of the insured estate or interest or the full consideration paid for the land, whichever is less, or if subsequent to the Date of Policy an improvement is erected on the land which increases the value of the insured estate or interest by at least 20 percent over the Amount of Insurance stated in Schedule A, then this Policy is subject to the following:

(i) where no subsequent improvement has been made, as to any partial loss, the Company shall only pay the loss pro rata in the proportion that the amount of insurance at Date of Policy bears to the total value of the insured estate or interest at Date of Policy; or

(ii) where a subsequent improvement has been made, as to any partial loss, the Company shall only pay the loss pro rata in the proportion that 120 percent of the Amount of Insurance stated in Schedule A bears to the sum of the Amount of Insurance stated in Schedule A and the amount expended for the improvement.

The provisions of this paragraph shall not apply to costs, attorneys' fees and expenses for which the Company is liable under this policy, and shall only apply to 'that portion of any loss which exceeds, in the aggregate, 10 percent of the Amount of Insurance stated in Schedule A.

(c) The Company will pay only those costs, attorneys' fees and expenses incurred in accordance with Section 4 of these Conditions and Stipulations.

8. APPORTIONMENT.

If the land described in Schedule A consists of two or more parcels that are not used as a single site, and a loss is established affecting one or more of the parcels but not all, the loss shall be computed and settled on a pro rata basis as if the amount of insurance under this policy was divided pro rata as to the value on Date of Policy of each separate parcel to the whole, exclusive of any improvements made subsequent to Date of Policy, unless a liability or value has otherwise been agreed upon as to each parcel by the Company and the insured at the time of the issuance of this policy and shown by an express statement or by an endorsement attached to this policy.

9. LIMITATION OF LIABILITY.

(a) If the Company establishes the title, or removes the alleged defect, lien or encumbrance, or cures the lack of a right of access to or from the land, all as insured, or takes action in accordance with Section 3 or Section 6, in a reasonably diligent manner by any method, including litigation and the completion of any appeals therefrom, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused thereby.

(b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom, adverse to the title as insured.

(c) The Company shall not be liable for loss or damage to any insured for liability voluntarily assumed by the insured in settling any claim or suit without the prior written consent of the Company.

10. REDUCTION OF INSURANCE: REDUCTION OR TERMINATION OF LIABILITY.

All payments under this policy, except payments made for costs, attorneys' fees and expenses, shall reduce the amount of the insurance pro tanto.

11. LIABILITY NONCUMULATIVE.

It is expressly understood that the amount of insurance under this policy shall be reduced by any amount the Company may pay under any policy insuring a mortgage to which exception is taken in Schedule B or to which the insured has agreed, assumed, or taken subject, or which is hereafter executed by an insured and which is a charge or lien on the estate or interest described or referred to in Schedule A, and the amount so paid shall be deemed a payment under this policy to the insured owner.

12. PAYMENT OF LOSS.

(a) No payment shall be made without producing this policy for endorsement of the payment unless the policy has been lost or destroyed, in which case proof of loss or destruction shall be furnished to the satisfaction of the Company.

(b) When liability and the extent of loss or damage has been definitely fixed in accordance with these Conditions and Stipulations, the loss or damage shall be payable within 30 days thereafter.

13. SUBROGATION UPON PAYMENT OR SETTLEMENT.

(a) The Company's Right of Subrogation.

Whenever the Company shall have settled and paid a claim under this policy, all right of subrogation shall vest in the Company unaffected by any act of the insured claimant.

The Company shall be subrogated to and be entitled to all rights and remedies that the insured claimant would have had against any person or property in respect to the claim had this policy not been issued. If requested by the Company, the insured claimant shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect this right of subrogation. The insured claimant shall permit the Company to sue, compromise or settle in the name of the insured claimant and to use the name of the insured claimant in any transaction or litigation involving these rights or remedies.

If a payment on account of a claim does not fully cover the loss of the insured claimant, the Company shall be subrogated to these rights and remedies in the proportion that the Company's payment bears to the whole amount of the loss.

If loss should result from any act of the insured claimant, as stated above, that act shall not void this policy, but the Company, in that event, shall be required to pay only that part of any losses insured against by this policy that shall exceed the amount, if any, lost to the Company by reason of !he impairment by the insured claimant of the Company's right of subrogation.

(b) The Company's Rights Against Non-insured Obligors.

The Company's right of subrogation against non-insured obligors shall exist and shall include, without limitation, the rights of the insured to indemnities, guaranties, other policies of insurance or bonds, notwithstanding any terms or conditions contained in those instruments that provide for subrogation rights by reason of this policy.

14. ARBITRATION.

Unless prohibited by applicable law or unless this arbitration section is deleted by specific provision in Schedule B of this policy, either the Company of the Insured may demand arbitration pursuant to the Title Insurance Arbitration Rules or the American Arbitration Association. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of or relating to this Policy, and service of the Company in connection with its issuance or the breach of a policy provision or other obligation. All arbitrable matters when the Amount of Insurance is $1,000,000 or less SHALL BE arbitrated at the request of either the Company or the Insured, unless the insured is an individual person (as distinguished from a corporation, trust, partnership, association or other legal entity). All arbitrable matters when the Amount of Insurance is in excess of $1,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this Policy and under the Rules in effect on the date the demand for arbitration is made or, at the option of the Insured, the Rules in effect at the Date of Policy shall be binding upon the parties. The award may include attorneys' fees only if the laws of the state in which the land is located permit a court to award attorneys' fees to a prevailing party. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

The Law of the situs of the land shall apply to any arbitration under the Title Insurance Arbitration Rules.

A Copy of the Rules may be obtained from the Company upon request.

15. LIABILITY LIMITED TO THIS POLICY: POLICY ENTIRE CONTRACT.

(a) This policy together with all endorsements, if any, attached hereto by the Company is the entire policy and contract between the insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.

(b) Any claim of loss or damage, whether or not based on negligence, and which arises out of the status of the title to the estate or interest covered hereby or by any action asserting such claim, shall be restricted to this policy.

(c) No amendment of or endorsement to this policy can be made except by a writing endorsed hereon or attached hereto signed by either the President, a Vice President, the Secretary, an Assistant Secretary, or validating officer or authorized signatory of the Company.

16. SEVERABILITY.

In the event any provision of the policy is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision and all other provisions shall remain in full force and effect.

17. NOTICES WHERE SENT.

All notices required to be given the Company and any statement in writing required to be furnished the Company shall include the number of this policy and shall be addressed to: Consumer Affairs Department, P.O. Box 27567, Richmond, Virginia 23261-7567.

COMPLAINT NOTICE.

Should any dispute arise about your premium or about a claim that you have filed, contact the agent or write to the Company that issued the policy. If the problem is not resolved, you also may write the Texas Department of Insurance, P.O. Box 149091, Austin, TX 78714-9091, Fax No. (512) 475-1771. This notice of complaint procedure is for information only and does not become a part or condition of this policy.

TEXAS OWNER'S POLICY OF TITLE INSURANCE

(Rev 04/04/02)

Issued by

Lawyers Title Insurance Corporation

Lawyers Title Insurance Corporation
is a member of the LandAmerica family of title insurance underwriters.

LandAmerica Lawyers Title

LandAmerica Financial Group, Inc.
101 Gateway Centre Parkway
Richmond, Virginia 23235-5153
www.landam.com

THANK YOU.

Title insurance provides for the protection of your real estate investment. We suggest you keep this policy in a safe place where it can be readily available for future reference.

If you have questions about title insurance or the coverage provided by this policy, contact the office that issued this policy, or you may call or write:

Lawyers Title Insurance Corporation
Consumer Affairs
P.O. Box 27567
Richmond, Virginia 23261-7567
telephone, toll free: 800 446-7086
web: www.landam.com

We thank you for choosing to do business with Lawyers Title Insurance Corporation, and look forward to meeting your future title insurance needs.

Lawyers Title Insurance Corporation
is a member of the LandAmerica family of title insurance underwriters.

LandAmerica Lawyers Title

SCANNED
DATE 10-2-07

File No. 155377
County Hays
Title Policy
Date Filed: 11-30-05
Jerry E. Patterson, Commissioner
By Isabel Alfaro
Form B 1178-22
23

Accepted for Filing in:
Hays County
On: Aug 19,2005 at 03:32P
By:
Olga Martinez

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Bk Vol Pg
05024201 OPR 2752 303

SPECIAL WARRANTY DEED

STATE OF TEXAS §
§ **KNOW ALL BY THESE PRESENTS:**
COUNTY OF HAYS §

That we, **CAPITAL FORESIGHT LIMITED PARTNERSHIP, a Nevada limited partnership** (collectively called **"Grantors"**, whether one or more), of the County of Clark and State of Nevada for and in consideration of **FOUR MILLION EIGHT HUNDRED SEVENTY EIGHT THOUSAND SEVEN HUNDRED NINTY TWO AND 75/100 DOLLARS ($4,878,792.75)**, and other good and valuable consideration to the undersigned paid by the Grantee herein named, the receipt and sufficiency of which is hereby acknowledged, and for which no lien is either expressed or implied, has GRANTED, SOLD and CONVEYED, and by these presents does GRANT, SELL and CONVEY unto **THE STATE OF TEXAS FOR THE USE AND BENEFIT OF THE PERMANENT SCHOOL FUND** (**"Grantee"**), whose mailing address is 1700 North Congress Avenue, Austin, Texas 78701, the following described land in Williamson County, Texas, to-wit:

> All that certain tract or parcel of land comprising 113.133 acres of land, more or less, out of **THE J.M. VERAMEND SURVEY NO. 1, ABSTRACT NO. 17**, in Hays County, Texas, being more particularly described by metes and bounds in Exhibit **"A"** attached hereto and made a part hereof, hereinafter called **"Land"**.

TO HAVE AND HOLD the above described Land, together with any and all buildings and other improvements now located on said Land and together with all and singular the rights and appurtenances pertaining to such Land, including any right, title or interest of Grantor to adjacent strips, gores, roads, streets, alleys and easements of right of way, if any, unto the Grantee, its successors and assigns forever, and Grantors do hereby bind Grantors heirs, executors and administrators to **WARRANT AND FOREVER DEFEND** all and singular the said premises unto the Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof, by and through the Grantors, but not otherwise.

This conveyance is made subject to all covenants, conditions, reservations, rights-of-way, easements, and leases, if any, that are valid, in existence, and of record, or visible and apparent

upon the ground of the above described Land, together with the "Permitted Exceptions" on **Exhibit "B"** attached hereto and made a part hereof for all pertinent purposes.

Executed this the 18th day of August, 2005 to be effective August 19, 2005.

Grantor:

CAPITAL FORESIGHT LIMITED PARTNERSHIP,
a Nevada limited partnership

By: Naty Saidoff,
its General Partner

ACKNOWLEDGEMENTS

STATE OF _____ §
§
COUNTY OF _____ §

see attached

This instrument was acknowledged before me on this the _____ day of _____ 2005, by **Naty Saidoff**, as General Partner of **CAPITAL FORESIGHT LIMITED PARTNERSHIP**, a Nevada limited partnership, on behalf of said entity and in the capacity and for the purpose and consideration therein expressed.

_____

Notary Public, State of _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California
County of Los Angeles } ss.

On August 18, 2005 (Date) before me, Michelle Danielle Sutlovich (Name and Title of Officer (e.g., "Jane Doe, Notary Public")),
personally appeared Naty Saidoff (Name(s) of Signer(s)),

☑ personally known to me
☐ proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Michelle Danielle Sutlovich
Signature of Notary Public

MICHELLE DANIELLE SUTLOVICH
Commission # 1449129
Notary Public - California
Los Angeles County
My Comm. Expires Nov 3, 2007

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Special Warranty Deed
Document Date: August 18, 2005 Number of Pages: 6
Signer(s) Other Than Named Above: N/A

Capacity(ies) Claimed by Signer

Signer's Name: Naty Saidoff

☐ Individual
☐ Corporate Officer — Title(s): _____
☑ Partner — ☐ Limited ☑ General
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

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WALKER
TEXAS SURVEYORS, INC.
P. O. Box 324
Cedar Park, Texas 78630-0324
(512) 259-3361 Phone
(512) 259-3381 Fax

PERIMETER DESCRIPTION
113.133 ACRE TRACT OF LAND
J.M. VERAMENDI SURVEY NO. 1, ABSTRACT NO. 17
HAYS COUNTY, TEXAS

BEING A 113.133 ACRE TRACT OF LAND OUT OF AND PART OF THE J.M. VERAMENDI SURVEY NUMBER 1, ABSTRACT NUMBER 17 IN HAYS COUNTY, TEXAS, SAID 113.133 ACRE TRACT BEING OUT OF AND PART OF A CALLED 121.52 ACRE TRACT OF LAND CONVEYED TO CAPITAL FORESIGHT LIMITED PARTNERSHIP, RECORDED IN VOLUME 1336, PAGE 595 OF OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS. SAID 113.133 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING, at a 1/2" Iron Rod found (Capped "Byrn") for the East corner of said 121.52 acre tract, in the West line of Interstate Highway No. 35 (300' Right-of-Way per Volume 9, Page 399 of the Hays County, Texas Plat Records), also being the South corner of a called 3.15 acre tract of land conveyed to Gulf Business Forms, Inc. as recorded in Volume 357, Page 703 of the Hays County, Texas Deed Records, for the East corner hereof;

THENCE, with the common line of said 121.52 acre tract and said Interstate Highway No. 35, **South 43°34'50" West**, a distance of **2931.79** feet to a 1/2" Iron Rod found (Capped "Byrn") in the West line of said Interstate Highway No. 35, being the East corner of Lot 1, Block 1 of "San Marcos Outlet Park", a subdivision in Hays County, Texas, recorded in Volume 9, Page 399 of the Hays County, Texas Plat Records, for the South corner hereof;

THENCE, leaving the West line of said Interstate Highway No. 35, with the Northeast line of said Lot 1, Block 1 of "San Marcos Outlet Park", **North 45°57'47" West**, a distance of **730.65** feet to a 1/2" Iron Rod found (Capped "Byrn") for the North corner of said Lot 1, Block 1 of "San Marcos Outlet Park", being an interior point hereof;

THENCE, with the Northwest line of said Lot 1, Block 1 of "San Marcos Outlet Park", **South 43°34'29" West**, a distance of **499.98** feet to a 1/2" Iron Rod found (Capped "Byrn") for the West corner of said Lot 1, Block 1 of "San Marcos Outlet Park", being the North corner of the residual of a called 9.438 acre tract of land conveyed to KBLB Partners as recorded in Volume 1266, Page 132 of the Real Property Records of Hays County, Texas, also being the East corner of a called 0.75 acre tract of land conveyed to Capital Foresight as recorded in Volume 1473, Page 700 of the Real Property Records of Hays County, Texas, also being in the Southwest line of said 121.52 acre tract, for an exterior corner hereof;

THENCE, with the common line of said 0.75 acre tract and said 121.52 acre tract, **North 45°56'28" West**, a distance of **59.84** feet to a "Mag" Nail found in concrete for the North corner of said 0.75 acre tract, being an angle point of the said 121.52 acre tract, also being the East corner of the residual of a called 20 acre tract of land conveyed to Tereso Tobias as recorded in Volume 139, Page 383 of the Hays County, Texas Deed Records, for an angle point hereof;

THENCE, with the common line of said 121.52 acre tract and the residual of said 20 acre tract (said tract having been cut into numerous small parcels all of which as referenced on the separate sketch of this survey), **North 45°49'24" West**, a distance of **843.66** feet to a 1/2" Iron Rod found (Capped "Byrn") for the North corner of said 20 acre tract, being the West corner of said 121.52 acre tract, also being in the Southeast line of the Missouri, Kansas and Texas Railroad as recorded in Volume 41, Page 12 of the Hays County, Texas Deed Records, for the West corner hereof;

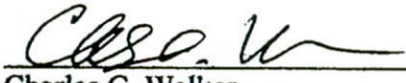
THENCE, with the common line of said 121.52 acre tract and said Missouri, Kansas and Texas Railroad, **North 46°39'52" East**, a distance of **3437.82** feet to a 1/2" Iron Rod found in the Southeast line of said Missouri, Kansas and Texas Railroad, for the North corner of said 121.52 acre tract, being the West corner of Lot 1 of "Thermon Industrial Park No. 2", a subdivision in Hays County, Texas, recorded in Volume 5, Page 6 of the Hays County, Texas Plat Records, for the North corner hereof;

THENCE, with the common line of said 121.52 acre tract and said Lot 1 of "Thermon Industrial Park No. 2" and the said 3.15 acre Gulf Business Forms, Inc. tract, **South 45°46'49" East**, a distance of **1449.17** feet back to the place and **POINT OF BEGINNING**, containing 113.133 Acres of land.

Bearing basis for this tract is based upon the Texas State Plane Coordinate System, NAD83/93 HARN, Texas South Central Zone (U.S. Survey Feet).

This perimeter description is a part of and accompanies a separate sketch of this survey.

Surveyed under the direction and supervision of the undersigned:



June 15, 2005
Date of field survey

Charles G. Walker
Registered Professional Land Surveyor
Number 5283
341001.doc

Exhibit "B"
Permitted Exceptions

1. Easement executed by G.M. Jackson, to Texas Public Utilities Company, dated July 10, 1925, recorded in/under 90/342 of the Real Property Records of Hays County, Texas. (Easement or right-of-way for an electric transmission and distribution line, and all necessary or desirable appurtenances, together with all rights recited therein)

2. Easement executed by Jasba Gmbh, a German limited company, to City of San Marcos, dated August 9, 1993, recorded in/under 1015/570 of the Real Property Records of Hays County, Texas. (Easement and right-of-way for electric transmission and/or distribution lines, and all necessary or desirable appurtenances, together with all rights recited therein)

3. Easement executed by Capital Foresight Limited Partnership, to City of San Marcos, a Municipal Corporation, filed June 29, 1998, recorded in/under 1427/909 of the Real Property Records of HAYS County, Texas, (a nonexclusive private easement for public utilities, and free ingress, egress and regress, together with all rights recited therein)

4. Easement executed by Capital Foresight Limited Partnership, to City of San Marcos, a Municipal Corporation, filed June 29, 1998, recorded in/under 1427/915 of the Real Property Records of Hays County, Texas, (a nonexclusive private easement for public utilities, and free ingress, egress and regress, together with all rights recited therein)

5. Easement executed by Capital Foresight Limited Partnership a Nevada Limited Partnership, to KBLB Partners, a Texas General Partnership composed of E.W. Richardson, K.K. Blewett, and Kevin Blewett, dated October 19, 1998, recorded in/under 1472/568 of the Real Property Records of Hays County, Texas. (Easement for drainage, together with all rights recited therein)

6. Easement executed by Capital Foresight Limited Partnership, to City of San Marcos, Texas, dated December 8, 2003, recorded in/under 2367/477 of the Real Property Records of Hays County, Texas. (Easement for wastewater pipe line and related appurtenances including utility facilities, together with all rights recited therein)

7. Deed Dedicating Drainage And Public Utility Easement executed by Capital Foresight Limited Partnership, to City of San Marcos, dated October 9, 2001, recorded in/under 2683/653 of the Real Property Records of Hays County, Texas.

8. Terms, conditions and stipulations contained in Public Improvement Construction And Financing Agreement executed by and between City of San Marcos, Texas, and Financial Management Group, a Partnership comprised of Heinz Schwaderlapp, et al, dated May 16, 1985, recorded in/under 549/234 of the Real Property Records of Hays County, Texas.

Exhibit "B"
Permitted Exceptions - Continued

9. Subject property lies within the boundaries of Edwards Underground Water District.

10. Overhead utility line(s) with poles and guys located along the northeast property line as shown on the survey prepared by Charles G. Walker R.P.L.S. No. 5283, dated June 15,2005.

11. Any rights, claims and/or easements in connection with the two sewer cleanouts lying outside of the utility easement traversing the subject property as shown on the survey prepared by Charles G. Walker R.P.L.S. No. 5283, dated June 15,2005.

12. Unrecorded lease agreements dated March 10, 2000 by and between Capital Foresight, LP, a Nevada Limited Partnership, as lessor and Gunnarson Outdoor Advertising, Inc. and Ivar L. Gunnarson, individually as Lessee.

13. To the extent that it affects the Land, all laws, codes, regulations, ordinances of any governmental or quasi governmental entity that have not been objected to by Buyer.

After recording return to:

Texas General Land Office
P.O. Box 12873
Austin, Texas 78711-2873

Attn: Dewayne Naumann
Asset Management Division

Filed for Record in:
Hays County
On: Aug 19,2005 at 03:32P
Document Number: 05024201
Amount: 26.00
Receipt Number - 131204
By,
Olga Martinez, Deputy
Lee Carlisle, County Clerk
Hays County

(24)

File No. 155377

Hays County

Recorded Deed

Date Filed: 11-30-05

Jerry E. Patterson, Commissioner

By Isabel Alfaro

SCANNED
DATE 10-2-07

LAND ACQUISITION CHECKLIST

Documents that go in new Archive School File

File No.: 155377 Property Name: Hays County Mixed Use

Date: 2/1/06 County: Hays Acres: 113.133

Project Manager: _____ Seller: _____

1. Sales Contract and Amendments ✓
   (To include MOU) _____
2. School Land Board Level II (approved) ✓
   Level III (approved) ✓
3. Appraisal of Acquired Property ✓
4. Environmental Assessment I ✓ / II ____
5. Survey Plat and Field Notes (Original) ✓
6. Settlement/Closing Statements ✓
7. Seller Affidavit of Debts and Liens ____
8. Seller Affidavit as to Possession ____
9. Seller IRS Notice ___
10. Seller Authorization ✓
(Corporate Resolution, Partnership Affidavit, Certificate of Good Standing, Partnership Agreement, etc.)
11. Distribution Slips _____
    Invoices _____
    Purchase Requisitions ✓
12. Copies of All Curative Documents (Ancillary) ____
13. Deed ✓
14. Recorded Deed to the State ✓
15. Title policy ✓

(25)

File No. 155377

Hays County

Land Acquisition Checklist

Date Filed: 2-1-06

Jerry E. Patterson, Commissioner

By Isabel Alfaro

ARCHIVE FILE ROUTING CHECKLIST
ASSET MANAGEMENT DIVISION

New File No.: 155377 Old File No.: _____

New Control No.: 18-1045 Old Control No.: _____

County: HAYS Acres: 113.133

Acquisition ✓ **or** Disposition: Sealed Bid Sale _____ Direct Sale _____ Trade _____

ACTIVE ARCHIVE FILE!

This file has been transferred to you until returned to ~~JERRY DRAKE~~.
Susan Dorsey

AREA	ACTION	DATE	INITIALS
INVENTORY: Susan Flusche	Endorse & Index New File		
	Endorse/Review Old File	See attached	
SURVEYING: ~~Ben Thomson~~ Bill O'Hare	Endorse Old File Jacket Acreage	NA	mjp
	Endorse Field Notes, if applicable	NA	"
	Assign Abstract Number, if applicable	NA	"
	Note Abstract Number on File Jacket	7-2-08	BO
	Complete Abstract Supplement Sheet	NA	mjp
~~Virginia Allen~~ Doug Howard	Update County Map	WMS ~~NA~~ 7/11/2008	DJH
	Update School Land Register	7-10-2008	DJH
	Update State Fee Map		
LEGAL	County Clerk Notification		
	Abstract Number add/change, if applicable		
GIS: Jeff Perkins	Update Tobin OTLS	7-21-08	JDP
ENERGY: Jesse Arellano	Update Mineral Map NA		
ASSET INSPECTIONS: Ned Polk	Cancel Surface Lease, if applicable	7-31-08	NSP
	File Surface Lease Cancellation Letter, if applicable		
	Convert ME(s) to Perpetual, if applicable		
	File Perpetual Easement, if applicable		
	Endorse New File Jacket		
ARCHIVES: Susan Dorsey	Update/Review GLOBase & PSFLand		
	Index Archive File Routing Checklist		
	Transfer Files to Archives & Records		

ARCHIVE FILE ROUTING CHECKLIST
ASSET MANAGEMENT DIVISION

New File No.: 155377 Old File No.: _____

New Control No.: 18-1045 Old Control No.: _____

County: Hays Acres: 113.133

Acquisition ✓ **or** Disposition: Sealed Bid Sale _____ Direct Sale _____ Trade _____

ACTIVE ARCHIVE FILE!
This file has been transferred to you until returned to Isabel Alfaro.

AREA	ACTION	DATE	INITIALS
INVENTORY:			
Isabel Alfaro	Endorse & Index New School File	11/30/05	IA
	Endorse/Review Old File Jacket	—	—
	Update/Review Record GLOBase & PSF Land	11/30/05	IA
	Index Archive File Routing Checklist		
	Transfer File to Archives & Records		
SURVEYING:			
Ben Thomson	Endorse Old File Jacket Acreage		
	Endorse Field Notes		
	Assign Abstract Number, if applicable		
	Note Abstract Number on File Jacket		
	Complete Abstract Supplement Sheet		
Doug Howard	Update County Map		
	Update School Land Register		
	Update State Fee Map		
GIS:			
Jeff Perkins	Update Tobin OTLS		
ENERGY:			
Jesse Arellano	Update Mineral Map		
ASSET INSPECTIONS:			
Ned Polk	Leases Canceled		
	ME(s) Converted to Perpetual		
	Endorse New File Jacket		

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File No. 155 377

Hays

Archive File Routing Checklist

Date Filed: 8-21-2008

Jerry E. Patterson, Commissioner

By SSdorsey

1-4-05

GLO Contract No. 05-174

Purchase Requisition

Texas General Land Office

Do not place an Order. The Purchasing Department MUST place this order in compliance with State Laws & Regulations.

Req. No. 305 - 5-0862

GSC PO # _____ Date _____

Program/Division	Requestor	Phone Number	Date Initiated
Asset Mgmt./Real Estate	Sharon Clark	475-1401	01/04/2005

Justification for Purchase:

Environmental Site Assessments on both agency and Permanent School Fund property through 8/31/05.

CONTRACT NEW ☑ Prof. Svcs. ☐ Cons. ☐ Int. Agency ☐ Int. Local ☐ O/S Counsel ☐ MOU ☐ MOA ☐ Letter Agr. ☐ Other (Kind) _____ ☐ Renewal of Contract # _____

AMENDMENT TO: ☐ Add ☐ Decrease ☐ Time ☐ Funding REQUESTED BY: ☐ GLO ☐ Vendor

DUE TO: ☐ Extra Task(s) ☐ High Bids ☐ Weather delay ☐ Factors Beyond Control ☐ Other (Explain) _____

OUTSOURCING: ☐ Yes ☐ No CONTRACT WORKFORCE: ☐ Yes ☐ No WORK PRODUCT ☐ Yes ☐ No

Vendor I.D.	10608616180	(Legal Approval)	Date 1-11-05
Vendor Name	TRC Environmental Corporation	Suggested Vendor:	
		Contact Person:	Mark A. Robbins, Operations Manager
Address	505 E. Huntland Drive, suite 250	Phone Number:	512-329-6080
City/State	Austin, TX Zip 78752	Fax Number:	512-329-8750

DT PCC	Fund	Approp.	Comptroller	GLO	PCA	Amount
9	007	28984	~~7346~~ 7256		11791	
	008	13002	7346		31722	

BUDGET ANPS ENTRY By: Date:

Notes/Comments:
RFQ #50862-DF Services not to exceed $20,000 agency (11791) & $75,000 PSF (31722) thru 8/31/05

Item	Commodity Code	Description of Product/Service	Quantity	UOM	Unit Price	Estimated Cost
		Class 925/35 Item 918/43				
		Environmental Site Assessments to be ordered with Work Order numbers				$0.00
						$0.00
						$0.00
						$0.00
						$0.00
						$0.00
						$0.00
					Additional Page Total:	$0.00

Contract Dates: From: effective date To: 08/31/2005 Total: Ø

SIGNATURES/APPROVALS:

Director	Date	[illegible]	[illegible]
Deputy - $1,000 and over	1/4/05 Date	[illegible]	Date
Budget-Funds Available ☑ Yes ☐ No	1/5/05 Date	[illegible]	Date

2005 JAN 2 PM 2:33 GENERAL LAND OFFICE PURCHASING

PURCHASING/ACCOUNTS PAYABLE USE

HUB VENDOR ☐ Yes ☐ No ☐ Black ☐ Asian ☐ Woman ☐ Hispanic ☐ Native American

RECYCLED PRODUCT ☐ E-1 Recycled-content ☐ E-2 Remanufactured ☐ E-3 Env. Sensitive

Posted on Market Place: ☐ Y ☐ N VCID _____ REPERS _____ Order/Begin Date Due/End Date

Type Purchase: PRO Processed by: DF Date: ANPS Entry:

☐ BOND FUND (use of funds to pay expenses related to the Land) Nat. Res. Code, Title 7, Chapter 161, Subchapter A, Section 161.175
☐ BOND FUND (Use of funds to pay bond expenses) Nat. Res. Code, Title 7, Chapter 161, Subchapter A, Section 161.176
☐ BOND FUND (for printing) Nat. Res. Code, Chapter 161, Subchapter A, Section 161.176(3)
☐ POSTAGE - GENERAL APPROPRIATIONS ACT. 74th Leg. Session, Sec. 9, HB 1, Sec. 33 (Purchase of Postage)
☑ PRO-TX Gov. Code, Title 10, Subtitle F, Sec. Ref. 2155.001, Chapter 2254, Subchapter A, Sec. 2254.001
☐ CEPRA-TX. Natural Resource Code, Chapter 33, Subchapter H
☐ CEPRA-TX. Natural Resource Code, Chapter 33, Subchapter H/ Tx. Gov. Code, Title 10, Chapter 2155, Subchapter 2155.147
☐ CSL-TX Gov. Code, Title 10, Subtitle F, Sec. Ref. 2155.001, Chapter 2254, Subchapter B, Sec. 2254.021
☐ GRANTS-TX. Gov. Code, Title 10, Subtitle D, Section 2155.140
☐ TRAINING-TX. Gov. Code, Title 6, Subtitle B, Section 656.044
☐ MAIL SERVICES-TX. Gov. Code, Title 10, Subtitle D, Chapter 2162.105
☐ PURCHASE OF LAND-Nat. Res. Code, Section 51.4
☐ OUTSIDE COUNSEL-TX. Gov. Code 2254.024
☐ TELEPHONE/UTILITIES-TX. Gov. Code, Chapter 2155, Ref. 2155.01d
☐ ILC-TX. Gov. Code, Title 7, Chapter 791
☐ IAC-TX. Gov. Code, Title 7, Chapter 771
☐ OSPRA-TX. Nat. Res. Code, Chapter 40
☐ Other

ALL OBLIGATIONS OF $25,000 OR MORE MUST BE ADVERTISED ON THE TEXAS MARKETPLACE

Rev. 5/04

TRC
Customer-Focused Solutions

5 Waterside Crossing
Windsor, CT 06095-1563
(860) 298-9692
FAX: (860) 298-6399
FEDERAL I.D. #06-0861618

PLEASE REMIT TO:
P.O. BOX 8500-53878
Philadelphia, PA 19178-3878

INVOICE

05-0862

AUGUST 15, 2005
INVOICE NO. 141907
PROJECT 44184
CLIENT NO. 0135420
PROJ. MGR. ROBBINS, MARK
CONTRACT NO. 05-174
P.O. NO.
TERMS NET 30 DAYS
PAGE 1 OF 1

TEXAS GENERAL LAND OFFICE
1700 NO. CONGRESS AVENUE
STEPEHN F. AUSTIN B
AUSTIN, TX 78701

ATTN: SHARON CLARK

PHASE I ESA AT SAN MARCOS ~~OUTLET PARK~~ 112 Acres

PROFESSIONAL SERVICES FOR PERIOD ENDING AUGUST 15, 2005

FIXED PRICE - COMPLETION OF PHASE I ESA AT SAN MARCOS OUTLET PARK	$3,750.00
TOTAL THIS INVOICE	$3,750.00

REFERENCE CLIENT # AND INVOICE # ON YOUR PAYMENT

OK to pay
S. Clark
8/15/05

Seller represents that with respect to the production of the articles and or the performance of the services covered by this invoice, it has fully complied with Section 12(A) and other provisions of the Fair Labor Standards Act of 1938 as amended.

WHITE - CLIENT YELLOW - FILE COPY PINK - PROJECT MANAGER

(27)

File No. 155377

HAYS County

PURCHASE REQUISITION

Date Filed: 9-18-09

Jerry E. Patterson, Commissioner

By Susan Flusche

7-27-05

ISSUED BY

COMMITMENT FOR TITLE INSURANCE

Lawyers Title Insurance Corporation
A LANDAMERICA COMPANY

THE FOLLOWING COMMITMENT FOR TITLE INSURANCE IS NOT VALID UNLESS YOUR NAME AND THE POLICY AMOUNT ARE SHOWN IN SCHEDULE A, AND OUR AUTHORIZED REPRESENTATIVE HAS COUNTERSIGNED BELOW.

We (LAWYERS TITLE INSURANCE CORPORATION) will issue our title insurance policy or policies (the Policy) to You (the proposed insured) upon payment of the premium and other charges due, and compliance with the requirements in Schedule B and Schedule C. Our Policy will be in the form approved by the Texas Department of Insurance at the date of issuance, and will insure your interest in the land described in Schedule A. The estimated premium for our Policy and applicable endorsements is shown on Schedule D. There may be additional charges such as recording fees, and expedited delivery expenses.

This Commitment ends ninety (90) days from the effective date, unless the Policy is issued sooner, or failure to issue the Policy is our fault. Our liability and obligations to you are under the express terms of this Commitment and end when this Commitment expires.

LAWYERS TITLE INSURANCE CORPORATION

LAWYERS TITLE INSURANCE CORPORATION SEAL 1925 RICHMOND, VA

By: Janet A. Alpert
President

Attest: John D. Wick
Secretary

Authorized Signatory

CONDITIONS AND STIPULATIONS

1. If you have actual knowledge of any matter which may affect the title or mortgage covered by this Commitment, that is not shown in Schedule B, you must notify us in writing. If you do not notify us in writing, our liability to you is ended or reduced to the extent that your failure to notify us affects our liability. If you do notify us, or we learn of such matter, we may amend Schedule B, but we will not be relieved of liability already incurred.

2. Our liability is only to you, and others who are included in the definition of Insured in the Policy to be issued. Our liability is only for actual loss incurred in your reliance on this Commitment to comply with its requirements, or to acquire the interest in the land. Our liability is limited to the amount shown in Schedule A of this Commitment and will be subject to the following terms of the Policy: Insuring Provisions, Conditions and Stipulations, and Exclusions.

COMMITMENT FOR TITLE INSURANCE

SCHEDULE A

Effective Date: **July 27, 2005** GF. No. 2422002793

Commitment No.: Not Applicable issued: **August 19, 2005**
(if applicable)

1. The policy or policies to be issued are:

   (a) OWNER POLICY OF TITLE INSURANCE (Form T-1)
   (Not applicable for improved one-to-four family residential real estate)
   Policy Amount: **$4,878,792.75**
   PROPOSED INSURED: **The State of Texas for the use and benefit of the Permanent School Fund**

   (b) TEXAS RESIDENTIAL OWNER POLICY OF TITLE INSURANCE - ONE-TO-FOUR FAMILY RESIDENCES (Form T-1R)
   Policy Amount:
   PROPOSED INSURED:

   (c) MORTGAGEE POLICY OF TITLE INSURANCE (Form T-2)
   Policy Amount:
   PROPOSED INSURED:
   Proposed Borrower:

   (d) TEXAS SHORT FORM RESIDENTIAL MORTGAGEE POLICY OF TITLE INSURANCE (Form T-2R)
   Policy Amount:
   PROPOSED INSURED:
   Proposed Borrower:

   (e) MORTGAGEE TITLE POLICY BINDER ON INTERIM CONSTRUCTION LOAN (Form T-13)
   Binder Amount:
   PROPOSED INSURED:
   Proposed Borrower:

   (f) OTHER
   Policy Amount:
   PROPOSED INSURED:

2. The interest in the land covered by this Commitment is:
   Fee Simple

3. Record title to the land on the Effective Date appears to be vested in:

   Capital Foresight Limited Partnership

4. Legal description of the land:

   113.133 acres of land, more or less, out of the J.M. VERAMENDI SURVEY NO. 1, ABSTRACT NO. 17, in HAYS County, Texas, being a portion of 121.52 acre tract conveyed to Capital Foresight Limited Partnership in Warranty Deed recorded in Volume 1336, Page 595 of the Official Public Records of HAYS County, Texas. Said 113.133 acres being more particularly described in Exhibit "A" attached hereto.

EXHIBIT "A"

WALKER
TEXAS SURVEYORS, INC.
P. O. Box 324
Cedar Park, Texas 78630-0324
(512) 259-3361 Phone
(512) 259-3381 Fax

PERIMETER DESCRIPTION
113.133 ACRE TRACT OF LAND
J.M. VERAMENDI SURVEY NO. 1, ABSTRACT NO. 17
HAYS COUNTY, TEXAS

BEING A 113.133 ACRE TRACT OF LAND OUT OF AND PART OF THE J.M. VERAMENDI SURVEY NUMBER 1, ABSTRACT NUMBER 17 IN HAYS COUNTY, TEXAS, SAID 113.133 ACRE TRACT BEING OUT OF AND PART OF A CALLED 121.52 ACRE TRACT OF LAND CONVEYED TO CAPITAL FORESIGHT LIMITED PARTNERSHIP, RECORDED IN VOLUME 1336, PAGE 595 OF OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS. SAID 113.133 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING, at a 1/2" Iron Rod found (Capped "Byrn") for the East corner of said 121.52 acre tract, in the West line of Interstate Highway No. 35 (300' Right-of-Way per Volume 9, Page 399 of the Hays County, Texas Plat Records), also being the South corner of a called 3.15 acre tract of land conveyed to Gulf Business Forms, Inc. as recorded in Volume 357, Page 703 of the Hays County, Texas Deed Records, for the East corner hereof;

THENCE, with the common line of said 121.52 acre tract and said Interstate Highway No. 35, **South 43°34'50" West,** a distance of **2931.79** feet to a 1/2" Iron Rod found (Capped "Byrn") in the West line of said Interstate Highway No. 35, being the East corner of Lot 1, Block 1 of "San Marcos Outlet Park", a subdivision in Hays County, Texas, recorded in Volume 9, Page 399 of the Hays County, Texas Plat Records, for the South corner hereof;

THENCE, leaving the West line of said Interstate Highway No. 35, with the Northeast line of said Lot 1, Block 1 of "San Marcos Outlet Park", **North 45°57'47" West,** a distance of **730.65** feet to a 1/2" Iron Rod found (Capped "Byrn") for the North corner of said Lot 1, Block 1 of "San Marcos Outlet Park", being an interior point hereof;

THENCE, with the Northwest line of said Lot 1, Block 1 of "San Marcos Outlet Park", **South 43°34'29" West,** a distance of **499.98** feet to a 1/2" Iron Rod found (Capped "Byrn") for the West corner of said Lot 1, Block 1 of "San Marcos Outlet Park", being the North corner of the residual of a called 9.438 acre tract of land conveyed to KBLB Partners as recorded in Volume 1266, Page 132 of the Real Property Records of Hays County, Texas, also being the East corner of a called 0.75 acre tract of land conveyed to Capital Foresight as recorded in Volume 1473, Page 700 of the Real Property Records of Hays County, Texas, also being in the Southwest line of said 121.52 acre tract, for an exterior corner hereof;

THENCE, with the common line of said 0.75 acre tract and said 121.52 acre tract, **North 45°56'28" West**, a distance of **59.84** feet to a "Mag" Nail found in concrete for the North corner of said 0.75 acre tract, being an angle point of the said 121.52 acre tract, also being the East corner of the residual of a called 20 acre tract of land conveyed to Tereso Tobias as recorded in Volume 139, Page 383 of the Hays County, Texas Deed Records, for an angle point hereof;

THENCE, with the common line of said 121.52 acre tract and the residual of said 20 acre tract (said tract having been cut into numerous small parcels all of which as referenced on the separate sketch of this survey), **North 45°49'24" West**, a distance of **843.66** feet to a 1/2" Iron Rod found (Capped "Byrn") for the North corner of said 20 acre tract, being the West corner of said 121.52 acre tract, also being in the Southeast line of the Missouri, Kansas and Texas Railroad as recorded in Volume 41, Page 12 of the Hays County, Texas Deed Records, for the West corner hereof;

THENCE, with the common line of said 121.52 acre tract and said Missouri, Kansas and Texas Railroad, **North 46°39'52" East**, a distance of **3437.82** feet to a 1/2" Iron Rod found in the Southeast line of said Missouri, Kansas and Texas Railroad, for the North corner of said 121.52 acre tract, being the West corner of Lot 1 of "Thermon Industrial Park No. 2", a subdivision in Hays County, Texas, recorded in Volume 5, Page 6 of the Hays County, Texas Plat Records, for the North corner hereof;

THENCE, with the common line of said 121.52 acre tract and said Lot 1 of "Thermon Industrial Park No. 2" and the said 3.15 acre Gulf Business Forms, Inc. tract, **South 45°46'49" East**, a distance of **1449.17** feet back to the place and **POINT OF BEGINNING**, containing 113.133 Acres of land.

Bearing basis for this tract is based upon the Texas State Plane Coordinate System, NAD83/93 HARN, Texas South Central Zone (U.S. Survey Feet).

This perimeter description is a part of and accompanies a separate sketch of this survey.

Surveyed under the direction and supervision of the undersigned:

June 15, 2005

Charles G. Walker
Registered Professional Land Surveyor
Number 5283
341001.doc

Date of field survey

COMMITMENT FOR TITLE INSURANCE

SCHEDULE B

EXCEPTIONS FROM COVERAGE

In addition to the Exclusions and Conditions and Stipulations, your Policy will not cover loss, costs, attorneys' fees, and expenses resulting from:

1. The following restrictive covenants of record itemized below (We must either insert specific recording data or delete this exception):

   Item 1, Schedule B is hereby deleted in its entirety.

2. Any discrepancies, conflicts, or shortages in area or boundary lines, or any encroachments or protrusions, or any overlapping of improvements.

3. Homestead or community property or survivorship rights, if any, of any spouse of any insured. (Applies to the Owner Policy only).

4. Any titles or rights asserted by anyone, including, but not limited to, persons, the public, corporations, governments or other entities,

   a. to tidelands, or lands comprising the shores or beds of navigable or perennial rivers and streams, lakes, bays, gulfs or oceans, or

   b. to lands beyond the line of harbor or bulkhead lines as established or changed by any government, or

   c. to filled-in lands, or artificial islands, or

   d. to statutory water rights, including riparian rights, or

   e. to the area extending from the line of mean low tide to the line of vegetation, or the rights of access to that area or easement along and across that area.

   (Applies to the Owner Policy only.)

5. Standby fees, taxes and assessments by any taxing authority for the year **2005**, and subsequent years; and subsequent taxes and assessments by any taxing authority for prior years due to change in land usage or ownership, but not those taxes or assessments for prior years because of an exemption granted to a previous owner of the property under Section 11.13, *Texas Tax Code*, or because of improvements not assessed for a previous tax year. (If Texas Short Form Residential Mortgagee Policy (T-2R) is issued, that policy will substitute "which become due and payable subsequent to Date of Policy" in lieu of "for the year **2005**, and subsequent years.")

6. The terms and conditions of the documents creating your interest in the land.

7. Materials furnished or labor performed in connection with planned construction before signing and delivering the lien document described in Schedule A, if the land is part of the homestead of the owner. (Applies to the Mortgagee Title Policy Binder on Interim Construction Loan only, and may be deleted if satisfactory evidence is furnished to us before a binder is issued.)

8. Liens and leases that affect the title to the land, but that are subordinate to the lien of the insured mortgage. (Applies to Mortgagee Policy (T-2) only.)

9. The Exceptions from Coverage and Express Insurance in Schedule B of the Texas Short Form Residential Mortgagee Policy (T-2R). (Applies to Texas Short Form Residential Mortgagee Policy (T-2R) only. Separate exceptions 1 through 8 of this Schedule B do not apply to the Texas Short

Form Residential Mortgagee Policy (T-2R).

10. The following matters and all terms of the documents creating or offering evidence of the matters (We must insert matters or delete this exception.):

a. **intentionally deleted**

b. **intentionally deleted**

c. **The Company is prohibited from insuring the area or quantity of the land described herein. Any statement in the legal description contained in Schedule "A" as to area or quantity of land is not a representation that such area or quantity is correct, but is made only for informal identification purposes and does not override Item 2 of Schedule "B" hereof.**

d. **Intentionally deleted.**

e. **Intentionally deleted.**

f. **Easement executed by G.M. Jackson, to Texas Public Utilities Company, dated July 10, 1925, recorded in/under 90/342 of the Real Property Records of HAYS County, Texas. (Easement or right-of-way for an electric transmission and distribution line, and all necessary or desirable appurtenances, together with all rights recited therein)**

g. **Easement executed by Jasba Gmbh, a German limited company, to City of San Marcos, dated August 9, 1993, recorded in/under 1015/570 of the Real Property Records of HAYS County, Texas. (Easement and right-of-way for electric transmission and/or distribution lines, and all necessary or desirable appurtenances, together with all rights recited therein)**

h. **Easement executed by Capital Foresight Limited Partnership, to City of San Marcos, a Municipal Corporation, filed June 29, 1998, recorded in/under 1427/909 of the Real Property Records of HAYS County, Texas. (a nonexclusive private easement for public utilities, and free ingress, egress and regress, together with all rights recited therein)**

i. **Easement executed by Capital Foresight Limited Partnership, to City of San Marcos, a Municipal Corporation, filed June 29, 1998, recorded in/under 1427/915 of the Real Property Records of HAYS County, Texas. (a nonexclusive private easement for public utilities, and free ingress, egress and regress, together with all rights recited therein)**

j. **Easement executed by Capital Foresight, a Nevada Limited Partnership, to KBLB Partners, a Texas General Partnership composed of E.W. Richardson, K.K. Blewett, and Kevin Blewett, dated October 19, 1998, recorded in/under 1472/568 of the Real Property Records of HAYS County, Texas. (Easement for drainage, together with all rights recited therein)**

k. **Easement executed by Capital Foresight Limited Partnership, to City of San Marcos, Texas, dated December 8, 2003, recorded in/under 2367/477 of the Real Property Records of HAYS County, Texas. (Easement for wastewater pipe line and related appurtenances including utility facilities, together with all rights recited therein)**

l. **Deed Dedicating Drainage And Public Utility Easement executed by Capital Foresight, Limited Partnership, to City of San Marcos, dated October 9, 2001, recorded in/under 2683/653 of the Real Property Records of HAYS County, Texas.**

m. **Terms, conditions and stipulations contained in Public Improvement Construction And Financing Agreement executed by and between City of San Marcos, Texas, and Financial Management group, a Partnership comprised of Heinz Schwaderlapp, et al, dated May 16, 1985, recorded in/under 549/234 of the Real Property Records of HAYS County, Texas.**

n. **Subject property lies within the boundaries of Edwards Underground Water District.**

o. **Overhead utility line(s) with poles and guys located along the northeast property line as shown on the survey prepared by Charles G. Walker R.P.L.S. No. 5283, dated June 15, 2005.**

p. **Any rights, claims and/or easements in connection with the two sewer cleanouts lying outside of the utility easement traversing the subject property as shown on the survey prepared by Charles G. Walker R.P.L.S. No. 5283, dated June 15, 2005.**

q. **Unrecorded lease agreements dated March 10, 2000 by and between Capital Foresight, LP a Nevada Limited Partnership, as lessor and Gunnarson Outdoor Advertising, Inc. and Ivar L. Gunnarson, individually as Lessee.**

COMMITMENT FOR TITLE INSURANCE

SCHEDULE C

Your Policy will not cover loss, costs, attorneys' fees, and expenses resulting from the following requirements that will appear as Exceptions in Schedule B of the Policy, unless you dispose of these matters to our satisfaction, before the date the Policy is issued:

1. Documents creating your title or interest must be approved by us and must be signed, notarized and filed for record.

2. Satisfactory evidence must be provided that:

   a. no person occupying the land claims any interest in that land against the persons named in paragraph 3 of Schedule A,

   b. all standby fees, taxes, assessments and charges against the property have been paid,

   c. all improvements or repairs to the property are completed and accepted by the owner, and that all contractors, subcontractors, laborers and suppliers have been fully paid, and that no mechanic's, laborer's or materialmen's liens have attached to the property,

   d. there is legal right of access to and from the land,

   e. (on a Mortgagee Policy only) restrictions have not been and will not be violated that affect the validity and priority of the insured mortgage.

3. You must pay the seller or borrower the agreed amount for your property or interest.

4. Any defect, lien or other matter that may affect title to the land or interest insured, that arises or is filed after the effective date of this Commitment.

5. **Appears to be clear of liens. Company requires Lien Affidavit.**

6. **Company requires copies of the Certificate of Partnership registered with the Secretary of State of the State of Nevada, and all amendments thereto, of Capital Foresight Limited Partnership, a Nevada Limited Partnership.**

7. **Intentionally deleted.**

8. **In addition to the requirements set forth in Schedule C of the enclosed Commitment, the following requirements must be met by the Settlement Agent prior to Policy issuance:**

   a) A properly completed Affidavit as to Debts and Liens executed by Seller;
   b) A properly completed Waiver of Inspection, executed by proposed Insured, for each Owner Policy requested.
   c) A properly completed Owner Policy Rejection, executed by purchaser, for each residential sale in which a Mortgagee Policy is to be issued, but no Owner Policy.
   d) Proof of payment of all taxes due and owing at the time of settlement, in a form acceptable to the Company.

   Prior to closing, you must request from the Company a "downdated" Commitment for Title Insurance with an "Effective Date" of no more than five (5) days prior to your anticipated closing.

9. **For informational purposes only, the following deed(s) have vested title in subject**

property for the past 24 months: Volume 1336, Page 595 of the Official Public Records of Hays County, Texas.

10. **Advisory Note to Closer: Pursuant to the terms and conditions contained in the Agreement of Limited Partnership of Capital Foresight Limited Partnership, a Nevada Limited Partnership, and all amendments thereto, it appears that Naty Saldoff has the authority to act as General Partner on behalf of the Partnership.**

COMMITMENT FOR TITLE INSURANCE

SCHEDULE D

G.F. No. or File No. **2422002793** Effective Date: **July 27, 2005**

Pursuant to the requirements of Rule P-21, Basic Manual of Rules, Rates and Forms for the writing of Title Insurance in the State of Texas, the following disclosures are made:

1. The following individuals are directors and/or officers, as indicated, of the Title Insurance Company issuing this Commitment Lawyers Title Insurance Corporation is a wholly owned subsidiary of LandAmerica Financial Group, Inc., a Virginia Corporation whose securities are publicly traded on the New York Stock Exchange.

   Lawyers Title Insurance Corporation's officers and directors are as follows:

   OFFICERS
   Theodore L. Chandler, Jr., President & Chief Operating Officer
   Ronald B. Ramos, Senoir Vice President & Treasurer
   Anna M. King, Vice President & Secretary
   G. William Evans, Chief Financial Officer
   Kenneth Astheimer, Executive Vice President
   Ross W. Dorneman, Executive Vice President
   Lloyd R. Draper, Executive Vice President
   Margaret M. Foster, Executive Vice President
   Michelle H. Gluck, Executive Vice President & General Counsel
   Melissa A. Hill, Executive Vice President
   David W. Koshork, Executive Vice President
   Glyn J. Nelson, Executive Vice President
   John M. Obzud, Executive Vice President
   Gary L. Opper, Executive Vice President
   Jeffrey C. Selby, Executive Vice President
   Jeffery D. Vaughn, Executive Vice President
   Donald C. Weigel, Jr., Executive Vice President

   DIRECTORS
   Charles H. Foster, Jr., Chairman
   Theodore L. Chandler, Jr.
   Ross W. Dorneman
   G. William Evans
   Jeffery C. Selby

2. The following disclosures are made by the Title Insurance Agent issuing this commitment pursuant to Rule P-21. LandAmerica Austin Title Company, a 100% wholly owned subsidiary of Lawyers Title Insurance Corporation.

   OFFICERS
   Joe M. Blissit - President
   Sylvia Cass - VP, Controller & Secretary
   Ronald B. Ramos - Assistant Treasurer
   Lloyd R. Draper - Executive Vice President
   Holly H. Wenger - Senior Vice President, Corporate Counsel & Assistant Secretary
   Paula Bacon - Vice President
   Dino S. Bazianos - Vice President
   Sandi Gillis - Vice President
   J. Kevin Kelly - Vice President
   Anna M. King - Vice President & Corporate Counsel
   Mona McMahan - Vice President & Assistant Secretary
   Monica Middleton - Vice President

   DIRECTORS
   Lloyd R. Draper
   David M. Parnell
   Joe M. Blissit

3. You are entitled to receive advance disclosure of settlement charges in connection with the proposed transaction to which this commitment relates. Upon your request, such disclosure will be made to you. Additionally, the name of any person, firm or corporation receiving any sum from the settlement of this transaction will be disclosed on the closing or settlement statement.

   You are further advised that the estimated title premium* is:

Owners Policy	**$23,410.00**
Mortgagee Policy	**$0.00**
Endorsements	**$3,511.50**
Total	**$26,921.50**

   Of this total amount: 15% will be paid to the policy issuing Title Insurance Company; 85% will be retained by the issuing Title Insurance Agent; and the remainder of the estimated premium will be paid to other parties as follows:

Amount	To Whom	For Services

The estimated premium is based upon information furnished to us as of the date of this Commitment for Title Insurance. Final determination of the amount of the premium will be made at closing in accordance with the Rules and Regulations adopted by the State Board of Insurance.

This commitment is invalid unless the insuring provisions and Schedules A, B, and C are attached

TEXAS TITLE INSURANCE INFORMATION

Title insurance insures you against loss resulting from certain risks to your title.	El seguro de titulo le asegura en relacion a perdidas resultantes de ciertos riesgos que pueden afectar el titulo de su propiedad.
The Commitment for Title Insurance is the title insurance company's promise to issue the title insurance policy. The Commitment is a legal document. You should review it carefully to completely understand it before your closing date.	El Compromiso para Seguro de Titulo es la promesa de la compania aseguradora de titulos de emitir la poliza de seguro de titulo. El Compromiso es un documento legal. Usted debe leerlo cuidadosamente y entendarlo completamente antes de la fecha para finalizar su transaccion.

Your Commitment for Title Insurance is a legal contract between you and us. The Commitment is not an opinion or report of your title. It is a contract to issue you a policy subject to the Commitment's terms and requirements.

Before issuing a Commitment for Title Insurance (the Commitment) or a Title Insurance Policy (the Policy), the Title Insurance Company (the Company) determines whether the title is insurable. This determination has already been made. Part of that determination involves the Company's decision to insure the title except for certain risks that will not be covered by the Policy. Some of these risks are listed in Schedule B of the attached Commitment as Exceptions. Other risks are stated in the Policy as Exclusions. These risks will not be covered by the Policy.

Another part of the determination involves whether the promise to insure is conditioned upon certain requirements being met. Schedule C of the Commitment lists these requirements that must be satisfied or the Company will refuse to cover them. You may want to discuss any matters shown on Schedules B and C of the Commitment with an attorney. These matters will affect your title and your use of the land.

When your Policy is issued, the coverage will be limited by the Policy's Exceptions, Exclusions and Conditions, defined below.

- EXCEPTIONS are title risks that a Policy generally covers but does not cover in a particular instance. Exceptions are shown on Schedule B or discussed in Schedule C of the Commitment. They can also be added if you do not comply with the Conditions section of the Commitment. When the Policy is issued, all Exceptions will be on Schedule B of the Policy.

- EXCLUSIONS are title risks that a Policy generally does not cover. Exclusions are contained in the Policy but not shown or discussed in the Commitment.

- CONDITIONS are additional provisions that qualify or limit your coverage. Conditions include your responsibilities and those of the Company. They are contained in the Policy but not shown or discussed in the Commitment. The Policy Conditions are not the same as the Commitment Conditions.

You can get a copy of the policy form approved by the State Board of Insurance by calling the Title Insurance Company at or by calling the title insurance agent that issued the Commitment. The State Board of Insurance may revise the policy form from time to time.

You can also get a brochure that explains the Policy from the Texas Department of Insurance by calling 1-800-252-3439.

Before the Policy is issued, you may request changes in the Policy. Some of the changes to consider are:

- Request amendment of the "area and boundary" exception (Schedule B, paragraph 2). To get this amendment, you must furnish a survey or comply with other requirements of the Company. On the Owner Policy, you must pay an additional premium for the amendment. If the survey is acceptable to the Company or if the Company's other requirements are met, your Policy will insure you against loss because of discrepancies or conflicts in boundary lines, encroachments or protrusions, or overlapping of improvements. The Company may then decide not to insure against specific boundary or survey problems by making special exceptions in the Policy. Whether or not you request amendment of the "area and boundary" exception, you should determine whether you want to purchase and review a survey if a survey is not being provided to you.

- Allow the Company to add an exception to "rights of parties in possession." If you refuse this exception, the Company or the title insurance agent may inspect the property. The Company may except to and not insure you against the rights of specific persons, such as renters, adverse owners or easement holders who occupy the land. The Company may charge you for the inspection. If you want to make your own inspection, you must sign a Waiver of Inspection form and allow the Company to add this exception to your Policy.

The entire premium for a Policy must be paid when the Policy is issued. You will not owe any additional premiums unless you want to increase your coverage at a later date and the Company agrees to add an Increased Value Endorsement.

IMPORTANT NOTICE	AVISO IMPORTANTE
FOR INFORMATION, OR TO MAKE A COMPLAINT, CALL OUR TOLL-FREE TELEPHONE NUMBER **(800) 442-7067** ALSO, YOU MAY CONTACT THE TEXAS DEPARTMENT OF INSURANCE AT **1-800-252-3439** to obtain information on: 1. filing a complaint against an insurance company or agent, 2. whether an insurance company or agent is licensed, 3. complaints received against an insurance company or agent, 4. policyholder rights, and 5. a list of consumer publications and services available through the Department. YOU MAY ALSO WRITE TO: The Texas Department of Insurance P.O. Box 149104 Austin, Texas 78714-9104 FAX No (512) 475-1771	PARA INFORMACION, O PARA SOMETER UNA QUEJA LLAME AL NUMERO GRATIS **(800) 442-7067** TAMBIEN PUEDE COMUNICARSE CON EL DEPARTAMENTO DE SEGUROS DE TEXAS AL **1-800-252-3439** para obtoner información sobre: 1. como someter una queja en contra de una compañia de seguros o agente de seguros, 2. si una compañia de seguros o agente de seguros tiene licencia, 3. quejas recibidas en contra de una compañia de seguros o agente de seguros, 4. los derechos del asegurado, y 5. una lista de publicaciones y servicios para consumidores disponibles a traves del Departamento. TAMBIEN PUEDE ESCRIBIR AL: Departamento de Seguros de Texas P.O. Box 149104 Austin, Texas 78714-9104 FAX No. (512) 475-1771

THE FOLLOWING COMMITMENT FOR TITLE INSURANCE IS NOT VALID UNLESS YOUR NAME AND THE POLICY AMOUNT ARE SHOWN IN SCHEDULE A, AND OUR AUTHORIZED REPRESENTATIVE HAS COUNTERSIGNED BELOW.

DELETION OF ARBITRATION PROVISION

(Not Applicable to the Texas Residential Owner Policy)

ARBITRATION is a common form of alternative dispute resolution. It can be a quicker and cheaper means to settle a dispute with your Title Insurance Company. However, if you agree to arbitrate, you give up your right to take the Title Company to court and your rights to discovery of evidence may be limited in the arbitration process. In addition, you cannot usually appeal an arbitrator's award.

Your policy contains an arbitration provision (shown below). It allows you **or the Company** to **require arbitration** if the amount of insurance is $1,000,000 or less. If you want to retain your right to sue the Company in case of a dispute over a claim, you must request deletion of the arbitration provision before the policy is issued. You can do this by signing this form and returning it to the Company at or before the Closing of your real estate transaction or by writing to the Company.

The Arbitration provision in the Policy is as follows:

"Unless prohibited by applicable law or unless this arbitration section is deleted by specific provision in Schedule B of this policy, either the Company or the Insured may demand arbitration pursuant to the Title Insurance Arbitration Rules of the American Arbitration Association. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of or relating to this Policy, and service of the Company in connection with its issuance or the breach of a policy provision or other obligation. All arbitrable matters when the Amount of Insurance is $1,000,000 or less **SHALL BE** arbitrated at the request of either the Company or the Insured, unless the Insured is an individual person (as distinguished from a corporation, trust, partnership, association or other legal entity). All arbitrable matters when the Amount of Insurance is in excess of $1,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this Policy and under the Rules in effect on the date the demand for arbitration is made or, at the option of the Insured, the Rules in effect at the Date of Policy shall be binding upon the parties. The award may include attorneys' fees only if the laws of the state in which the land is located permit a court to award attorneys' fees to a prevailing party. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

The Law of the situs of the land shall apply to an arbitration under the Title Insurance Arbitration Rules.

A Copy of the Rules may be obtained from the Company upon request."

I request deletion of the Arbitration provision.

_____

Signature Date

19 00/6

RETURN TO:
ALAMO TITLE COMPANY
3305 NORTHLAND DR., #100
AUSTIN, TEXAS 78731
GF# 97037613-9

HC 9713802 6 PGS

WARRANTY DEED

1336 595

DATE: August 14th, 1997

GRANTOR: JASBA GMBH, a German Limited Company

GRANTOR'S MAILING ADDRESS: IM Petersborn 2
D-56244 Ötzingen, Germany

GRANTEE: Capital Foresight Limited Partnership

GRANTEE'S MAILING ADDRESS: 9692 Gloucester Dr.
Beverly Hills, California 90210
ATTN: Naty Saidoff

CONSIDERATION: For Ten Dollars and other Good and Valuable Consideration

PROPERTY (including any improvements): A 121.52 acre tract of land, more or less, out of the J.M. Veramendi Survey No. 1, A-17 Hayes County, as more particularly described on Exhibit "A" attached hereto.

RESERVATIONS FROM AND EXCEPTIONS TO CONVEYANCE AND WARRANTY:

Each of those items described on Exhibit "B" attached hereto.

GRANT AND CONVEYANCE:

Grantor, for the consideration and subject to the Reservations From and Exceptions To Conveyance And Warranty, grants sells, and conveys to Grantee the property, together with all and singular the rights and appurtenances thereto in any wise belonging, to have and hold it to Grantee, Grantee's heirs, executors, administrators, successors, or assigns forever. Grantor binds Grantor and Grantor's heirs, executors, administrators, and successors to warrant and forever defend and all singular the property to Grantee and Grantee's heirs, executors, administrators, successors, and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof, except as to the Reservations From And Exceptions To Conveyance And Warranty.

Current ad valorem taxes on the Property having been prorated to the date hereof, the payment thereof is hereby assumed by Grantee.

EXHIBIT A

Recorders Note: ORIGINAL DOCUMENT ILLEGIBLE

DESCRIPTION OF 121.52 ACRES, MORE OR LESS, OF LAND AREA IN THE U.M. VERAMENDI SURVEY NO. 1, CITY OF SAN MARCOS, HAYS COUNTY, TEXAS BEING ALL OF THAT 121.43 ACRE TRACT DESCRIBED IN A DEED FROM THOMAS T. SMITH, TRUSTEE TO KEISZ SCHWEDERLAPP ET AL DATED APRIL 8, 1993 AND RECORDED IN VOLUME 391, PAGE 492 OF THE HAYS COUNTY DEED RECORDS AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2" iron rod set for the east corner of the Schwederlapp tract and the south corner of that 5.15 acre tract described in a deed from Thermon Industrial Development Corp. to Wulf Business Forms, Inc. dated April 29, 1981 and recorded in Volume 357, Page 904 of the Hays County Deed Records, and being a northwest line of Interstate Highway No. 35;

THENCE leaving the PLACE OF BEGINNING with the common northeast line of Interstate Highway No. 35 and southeast line of the Schwederlapp tract, as shown on that plat numbered 24239-57-d dated April 17, 1987 as prepared for JASRA of Germany by Byrn & Associates, Inc. of San Marcos, Texas, N 44° 04' 09" W (this being the Bearing Basis for this description) 3434.11 feet to a 1/2" iron rod set for the south corner of the Schwederlapp tract and the east corner of that 9.438 acre tract described in a deed from Joe Bob Millican et ux to K.S.L.B., Inc. dated November 1, 1996 and recorded in Volume 1366, Page 132 of the Hays County Official Public Records;

THENCE with the common southwest line of the Schwederlapp tract and northeast line of the K.S.L.B., Inc. tract, as fenced and used upon the ground, N 44° 13' 08" W 790.63 feet to a 1/2" iron rod found for the north corner of the K.S.L.B. tract and the east corner of that 20.0 acre tract conveyed in a deed from Chas. Fehlis to Terrace Tobias dated October 16, 1947 and recorded in Volume 120, Page 363 of the Hays County Deed Records;

THENCE continuing with the common southwest line of the Schwederlapp tract and the northeast line of the Tobias 20.0 acre tract, as fenced and used upon the ground, (said tract having been cut into numerous small parcels all of which as referenced on the aforeseferenced plat) N 45° 11' 45" W 843.00 feet to a 1/2" iron rod found for the north corner of the Tobias 20.0 acre tract and west corner of the Schwederlapp tract in the southeast line of the Missouri, Kansas & Texas Railroad right-of-way, being 50 feet from the centerline of the Missouri, Kansas & Texas Railroad track(.

THENCE with the common northwest line of the Schwederlapp tract and the MK 5.3 right-of-way being 50 feet from and parallel to the centerline of the railroad tracks, N 47° 24' 02" E 3432.38 feet to a 1/2" iron rod found for the north corner of the Schwederlapp tract and the west corner of Lot 1, Thermon Industrial Park No. 2, as recorded in Volume 5, Page 6 of the Hays County Plat Records;

Description: Hays,TX Document-Book.Page 1336.595 Page: 2 of 6
Order: Illly Comment:

1336 597

EXHIBIT A

Recorders Notes ORIGINAL DOCUMENT ILLEGIBLE

[illegible] with the common northeast line of the Schwaderlage tract and southwest line of Thurman Industrial Park No. 2 and the aforeprofessed Gulf Business Forms, Inc. tract, S 45° 121.447 S 1448.51 feet to the PLACE OF BEGINNING, pass at 996.92 feet a 1/2" iron rod found for the common south corner of Lot 1 and west corner of Barnes Drive (a roadway shown on the plat of Thurman Industrial Park) and pass at 1028.04 feet a 1/2" iron rod found for the common south corner of Barnes Drive and west corner of Gulf Business Forms, Inc. tract.

There are contained within these notes and bounds 121.52 acres, more or less, of land area as prepared from public records and a survey made on the ground on April 17, 1997 by Byrn & Associates, Inc. of San Marcos, Texas. All 1/2" iron rods set are capped with a plastic cap stamped "Byrn Survey".

DAVID C. WILLIAMSON, R.P.L.S.

CLIENT: JAMES
DATE: April 17, 1997
SURVEY: Wormandi, J.M. 1
COUNTY: Hays, Texas
JOB NO.: 34229-97
PMD121.52

Page 3 of 7

JUL-30-1997 13:41 FROM COMMONWEALTH LAND MGMT TO [illegible]

EXHIBIT B

1336 598

1. Electric and telephone transmission and/or distribution line easement granted to Texas Public Utilities Company, recorded in Volume 90, Page 342, Deed Records of Hays County, Texas.

2. Electric and telephone transmission and/or distribution line easement granted to the City of San Marcos, recorded in Volume 1015, Page 570, Official Public Records of Hays County, Texas.

3 Terms, conditions, and provisions of that certain Public Improvement Construction and Financing Agreement by and between the City of San Marcos and Financial Management Group recorded in Volume 549, Pages 234-249 (file number 216078), Official Public Records of Hays County, Texas.

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS

8-14-97 04:02 PM 9713802
COLEY $19.00
MARGIE T VILLALPANDO, County Clerk
HAYS COUNTY

When the context requires, singular nouns and pronouns include the plural.
Dated to be effective the 11th day of August, 1997.

GRANTOR:

JASBA GMBH, a German Limited Company

By: H. G. Koep

UR.NR. 31/1997

STATE OF Germany §
§
COUNTY OF Rheinland-Pfalz §

1336 599

This instrument was acknowledged before me on the 7th day of august, 1997 by Mr. Koep as Manager for and on behalf of JASBA GMBH, a German Limited Company as the act and deed of that Company.

Dr. jur. Lorenz Fischer Notar in Höhr-Grenzhausen

Notary Public, State of Texas
Name: Dr. jur. Lorenz Fischer
Commission Expires: by death

AFTER RECORDING RETURN TO:

John Goldstone
2207 Big Horn Drive
Austin, Texas 78734

PREPARED IN THE LAW OFFICE OF:

WELLS PINCKNEY & McHUGH
Attn. Frank Z. Ruttenberg
One Alamo Center
106 S. St. Mary's Street
San Antonio, Texas 78205

jashawd.wpo

Geschäftswert 5.000,- DM
Gebühr §§ 101, 97 / 45 20,- DM
Mwst.
DM
Notar

1336 600

APOSTILLE

(Convention de La Haye du 5 octobre 1961)

1. Land: Bundesrepublik Deutschland

Diese öffentliche Urkunde

2. ist unterschrieben von Notar Dr. Lorenz Fischer

3. in seiner Eigenschaft als Notar in Höhr-Grenzhausen

4. sie ist versehen mit dem Siegel/Stempel des (der) Notars

Bestätigt

5. in Koblenz 6. am 7. August 1997

7. durch den Präsidenten des Landgerichts

8. unter Nr. 920 a E - 427/97

Siegel/Stempel

10. Unterschrift

(Dr. Ewald Thul)

Geschäftswert:
DM 5.000,00
Verwaltungsgebühr
gemäß JVKostO
DM 20,00

JV e

OFFICIAL PUBLIC RECORDS

8-14-97 04:02 PM 9713802
COLEY $19.00
MARGIE T VILLALPANDO, County Clerk
HAYS COUNTY

[illegible]

[illegible] to the [illegible] and consideration [illegible]

GIVEN [illegible] of July, A.D. 1925.

[illegible]

(SEAL) [illegible] Texas.

STATE OF TEXAS |
HAYS COUNTY |

BEFORE ME, C. C. Wade, a Notary Public in and for Hays County, Texas, on this day personally appeared Antonie Schenberg, wife of [illegible] Schenberg, Sr., known to me to be the person whose name is subscribed to the foregoing instrument, and having been examined by me privily and apart from her husband and having the same fully explained to her, she, the said Antonie Schenberg, acknowledged such instrument to be her act and deed, and declared that she had willingly signed the same for the purposes and consideration therein expressed and that she did not wish to retract it.

GIVEN [illegible] HAND AND SEAL OF OFFICE this 16th day of July, A.D. 1925.

C. C. Wade.

(SEAL) Notary Public, Hays County, Texas.

Filed for record Sept. 30, A.D., 1925 at 9:20 o'clock A. M.
Recorded Oct. 6, A.D., 1925 at 2:40 o'clock P. M.

[signature]
CLERK COUNTY COURT, HAYS COUNTY, TEXAS.

-----oOo-----

90/342

STATE OF TEXAS |
COUNTY OF HAYS |

KNOW ALL MEN BY THESE PRESENTS:

That G. M. Jackson, of Hays County, Texas, for and in consideration of One Hundred twenty No/100 DOLLARS ($120.00) to me (us) in hand paid by TEXAS PUBLIC UTILITIES COMPANY have granted, sold and conveyed and by these presents do grant, sell and convey, unto the said Company, an easement or right-of-way for an electric transmission and distributing line, consisting of variable numbers of wires, and all necessary or desirable appurtenances (including poles made of wood, metal or other materials, telephone, telegraph wire, props and guys), at or near the location and along the general course now located and staked out by by the said Company over, across and upon the following described lands located in Hays County, Texas, to-wit:

Being a description of the Texas Public Utilities Company's Taylor-Hunter Transmission Line as now surveyed and located across the land of G. M. Jackson in the C. Wickson and J. M. de Vernandi survey, Hays County, Texas.

Beginning at survey station [illegible] plus 55, same being a point in center line of a [illegible] Northwest and Southeast between the property of G. M. Jackson and T. S. Best; [illegible] Northwest of G. M. Jackson's Southeast corner.

[illegible] Minutes East 567 feet to survey station 267 plus [illegible] [illegible] the property of G. M. Jackson and a road.

This line crosses no part of [illegible] in this tract of land are expressly disclaimed.

The Texas Public Utilities Company shall be liable to the grantor for any damage done to fences or fronting [illegible] be occasioned by the erection and maintenance of its lines; and this contract shall [illegible] the liability of the Texas Public Utilities Company for the injury to or death of any livestock belonging to grantor or his tenants, or for any injuries to or the death of the tenants or employees of said company, in either event.

The place of payment for such damage or injury shall be at the offices of the State Bank & Trust Company in San Marcos, Hays County, Texas.

together with the right of ingress and egress over my (our) adjacent land to or from said right-of-way for the purpose of constructing, reconstructing, inspecting, patrolling, hanging new wires on, maintaining and removing said line and appurtenances; the right to relocate along the same general direction of said lines; the right to remove from said lands all trees and parts thereof, or other obstructions, which endanger or may interfere with the efficiency of said line or its appurtenances; and the right of exercising all other rights hereby granted.

TO HAVE AND TO HOLD the above described easement and rights unto the said Company, its successors and assigns, until said line shall be abandoned.

Not more than No towers and No poles [illegible] Frames - 2 Split Guys shall be erected along the course of said line.

And I (we) do hereby bind myself, (ourselves), my (our) heirs and legal representaives, to warrant and forever defend all and singular the above described easement and rights unto the said Company, its successors and assigns, against every person whosoever lawfully claiming or to claim the same or any part thereof.

WITNESS my hand this 10th day of July, 1925.

C. M. Jackson.

Sealed and delivered in the presence of:

D. E. Mages.

STATE OF TEXAS }
HAYS COUNTY, }

BEFORE ME, E. M. Cape, a Notary Public, in and for Hays, County, Texas, on this day personally appeared C. M. Jackson, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the [illegible] therein [illegible]

[illegible]

[illegible]

Recorded Oct. [illegible] 3:40

AUG 19 '93 08:32 COMMERCIAL IND PROP P.06

THE STATE OF TEXAS

Transmission Line No.
Easement No.

COUNTY OF Hays

341573

1015 570

KNOW ALL PERSONS BY THESE PRESENTS:

That Jasba Gmbh, a German limited company

hereinafter referred to as "Grantor," (whether one or more), for and in consideration of One---------- Dollars ($ 1.00) to Grantor in hand paid by CITY OF SAN MARCOS, Hays County, Texas (hereinafter called the "City") have granted, sold and conveyed and by these presents do grant, sell and convey unto the said City, an easement and right-of-way for electric transmission and/or distribution lines, consisting of variable number and sizes of wires, and all necessary or desirable appurtenances (including, but not limited to, towers, H-frames and/or poles made of wood, metal or other materials, telephone and telegraph wire, props and guys), at or near the location and along the general course over, across and upon the following described lands located in Hays County, Texas to-wit:

All that certain tract or parcel of land, containing 121.43 acres more or less out of the J.M. Veramendi Survey No. 1 A-17, Hays County, Texas, having been granted, sold and conveyed by Thomas T. Smith to Hiens Schwaderlapp, Maria Schwaderlapp, Michael Schwaderlapp, Jutta Schwaderlapp, Petra Schwaderlapp and Herbert Huebinger. This tract being more fully described by metes and bounds recorded in Hays County Deed Records, volume 391, pages 692, 693, 694 and 695.

This easement shall consist of a strip of land 10 feet wide and 40 feet in length.

Beginning at a point, located S45 02'00"W, 2061.31 feet from a 1/2" iron rod found in the east corner of the above mentioned tract.
Thence N44 58'00"W, 40 feet,
Thence S45 02'00"W, 10 feet,
Thence S44 58'00"E, 40 feet,
Thence N45 02'00"E, 10 feet, to the point of beginning of this easement.
The centerline described above is shown on plat attached hereto, marked EXHIBIT "A", and incorporated herein by reference.

Together with the right of ingress and egress over Grantor's adjacent lands to or from said easement and right-of-way for the purpose of constructing, reconstructing, inspecting, patrolling, operating, maintaining and removing said lines and appurtenances; the right to place new or additional wire or wires on said lines and to change the sizes thereof; the right to relocate said lines and appurtenances along the same general direction of said lines; the right to remove from said lands all trees and parts thereof, or other obstructions, which endanger or may interfere with the efficiency of said lines or their appurtenances; and the right to place temporary guys, poles, and supporting structures for use in erecting or repairing said lines.

Grantor warrants that Grantor is the owner of said property and has the right to execute this easement.

~~Grantor reserves ---- openings in soil and land and ---- openings in pavement shall be made in the center along said right-of-way. Grantor shall be paid for poles, towers, foundations, guys, anchors, unless City, its successors or assigns shall pay to Grantor, his heirs or legal representatives ---- ( ) poles ( ) for each such opening in excess of said number in cultivated land ---- Dollars ($) for each such opening in excess of said number. The easement land, and upon which payment is made, its successors or assigns, shall have the right and the right is hereby granted to make additional openings in the ground for poles, tower foundations, and/or guy anchors in excess of the number provided above.~~

To have and to hold the above-described easement and rights unto the City, its successors and assigns, until said easement and rights shall be relinquished by City.

Grantor does hereby bind himself, his heirs and legal representatives, to warrant and forever defend all and singular the above-described easement and rights unto City, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

Witness my hand(s) this 9 day of August 19 93.

Jasba

OFFICIAL PUBLIC RECORDS

Grantor

THE STATE OF TEXAS,

COUNTY OF _____ 1015 571

BEFORE ME, _____, a Notary Public in and for _____ County, Texas, on this day personally appeared _____ known to me to be the person _____ whose name _____ is/are subscribed to the foregoing instrument, and acknowledged to me that _____ executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this _____ day of _____, A.D., 19_____.

_____

Notary Public _____ County, Texas

THE STATE OF TEXAS

Hays County,

Easement and Right of Way

FROM

Jasba GmbH

TO

CITY OF SAN MARCOS

THE STATE OF TEXAS,

_____ County

I _____ County Clerk in and for said County, hereby certify that the within Conveyance was filed in my office for record on the _____ day of _____ 19__ at _____ o'clock _____ M., and duly recorded by me on the _____ day of _____ 19__ in Book _____ Records of Deeds of said County, at page _____

Given under my hand and seal of office the day and year last above written.

County Clerk _____ County, Texas

By _____ Deputy.

THE STATE OF TEXAS,

COUNTY OF _____

BEFORE ME, _____, a Notary Public in and for _____ County, Texas, on this day personally appeared _____ known to me to be the person _____ whose name _____ is/are subscribed to the foregoing instrument, and acknowledged to me that _____ executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this _____ day of _____, A.D., 19_____.

_____

Notary Public _____ County, Texas

THE STATE OF TEXAS,

COUNTY OF _____

BEFORE ME, _____, a Notary Public in and for _____ County, Texas, on this day personally appeared _____ known to me to be the person _____ whose name _____ is/are subscribed to the foregoing instrument, and acknowledged to me that _____ executed the same for the purposes and consideration therein expressed.

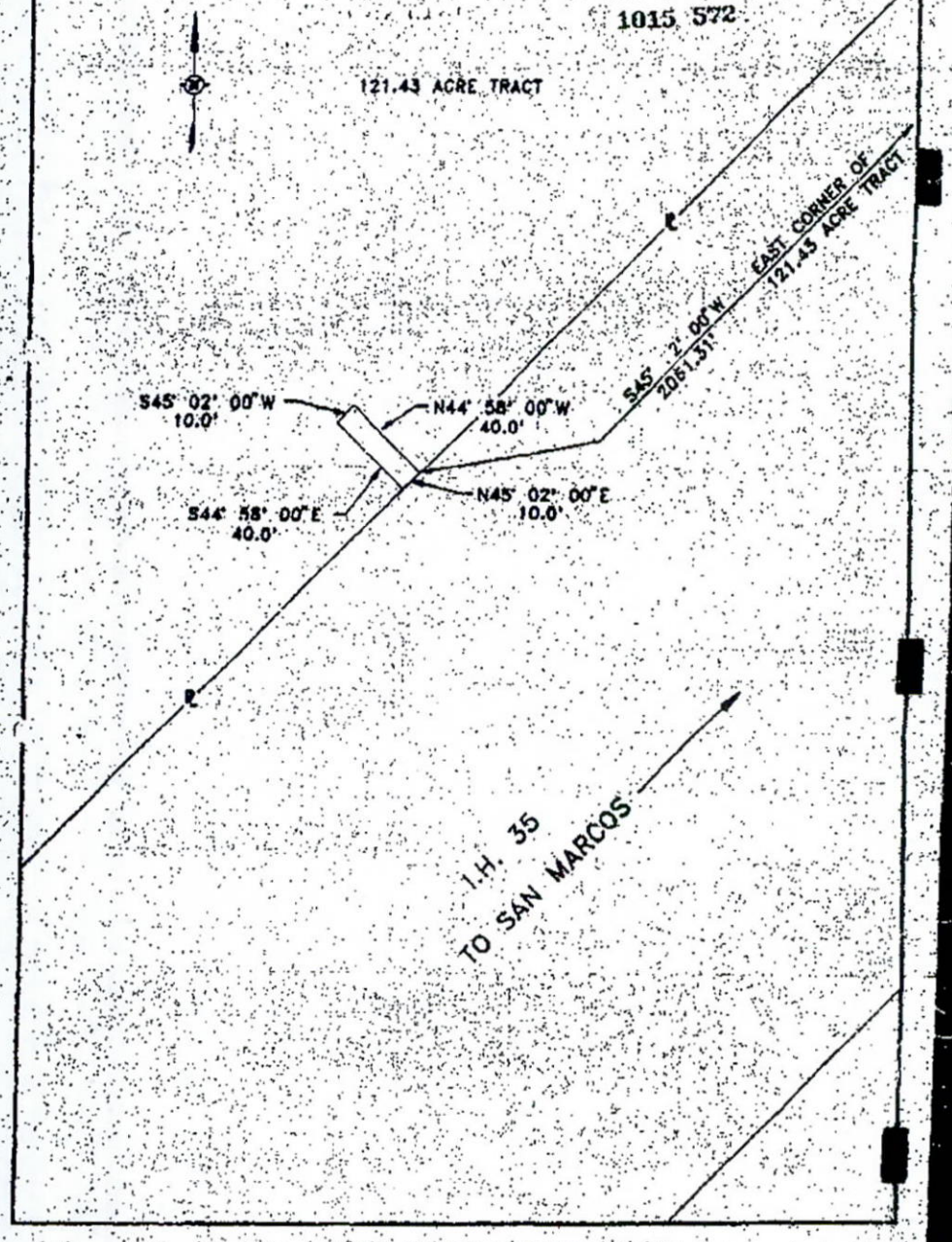
GIVEN UNDER MY HAND AND SEAL OF OFFICE this _____ day of _____, A.D., 19_____.

_____

Notary Public _____ County, Texas

EXHIBIT A

1015 572



CITY OF SAN MARCOS
SAN MARCOS, TEXAS
DISTRIBUTION GUY EASEMENT

RETUI

SCALE: 1"=50' DATE 2-5-93 GRANTOR Jasba GmbH

1015 573

STATE OF TEXAS
COUNTY OF HAYS
I hereby certify that this instrument was FILED on the date and at the time stamped hereon by me; and was duly RECORDED, in the Volume and Page of the named RECORDS of Hays County, Texas as stamped hereon by me.

AUG 31 1993

COUNTY CLERK
HAYS COUNTY, TEXAS

'93 AUG 31 AM 10

RETURN TO:

CITY OF SAN MARCOS
ATTN: Legal Dept.
630 East Hopkins Street
San Marcos, TX 78666

HC 9813152 6 pgs

1427 · 909

PRIVATE EASEMENT

DATE:

GRANTOR: Capital Foresight Limited Partnership
ATTN: Naty Saidoff
9892 Gloucester Drive
Beverly Hills, California 90210

GRANTEE: City of San Marcos, a Municipal Corporation
630 East Hopkins Street
San Marcos, Hays County, Texas 78666

PROPERTY: A 15-foot wide strip of property adjoining the east property line, containing 6,825.3 square feet, more or less, located in San Marcos, Hays County, Texas, and being a part of that certain tract recorded in Volume 1336, page 595 of the Hays County Deed Records and being more particularly described by metes and bounds in Exhibit "A."

RESERVATIONS FROM AND EXCEPTIONS TO CONVEYANCE AND WARRANTY: This grant is subject to all existing and valid easements, restrictions, reservations, covenants, conditions and other matters relating to the Property as the same are shown by instruments filed for record in the office of the County Clerk of Hays County, Texas. Grantor, its successors and assigns, reserves the right to use the land within the Property for purposes not inconsistent with Grantee's use of the Property, including without limitation, construction of driveways; provided the use shall not unreasonably interfere with the exercise by Grantee of the rights granted in this document.

CONSIDERATION: Ten Dollar ($10.00) and other good and valuable consideration, the receipt and sufficiency of which are acknowledged by the Grantor.

Grantor, for the consideration stated and subject to the reservations from and exceptions to conveyance and warranty, grants and conveys to Grantee a nonexclusive private easement for the purpose of enabling the Grantee to lay, construct, reconstruct, operate and maintain public utilities along, across, through, within and over the Property, and for Grantee's free and uninterrupted use, liberty, privilege and free ingress, egress and regress to the Property. Grantor binds Grantor and Grantor's successors and assigns to warrant and forever defend all and singular the Property to Grantee and Grantee's successors and assigns against every person whomsoever claiming or to claim the same or any part thereof, by through and under Grantor, but not otherwise

After construction or maintenance of the public utilities or other exercise of its rights under this easement, Grantee, at its sole cost and expense, agrees to promptly restore the surface of the Property to its condition immediately prior to the construction, maintenance or other activity to the extent reasonably possible.

When the context requires, singular nouns and pronouns include the plural.

Capital Foresight Limited Partnership

By: _____

NATY SAIDOFF
Printed Name

OWNER - General Partner
Title

Return To:

CITY OF SAN MARCOS
ATTN: Legal Dept.
630 East Hopkins Street
San Marcos, TX 78666

1427 910

STATE OF CALIFORNIA

COUNTY OF Los Angeles

This instrument was acknowledged before me on this 25th day of June, 1998 by Naty Saidoff, General Partner on behalf of Capital Foresight Limited Partnership proved through a personal knowledge to be the person whose name is subscribed to this instrument.

Notary Stamp

JUDITH H. STEIN
COMM. #1066027
NOTARY PUBLIC - CALIFORNIA
LOS ANGELES COUNTY
My Comm. Expires August 4, 1999

Notary Public

CAPITAL FORESIGHT LIMITED PARTNERSHIP

DESCRIPTION OF A 15-FEET WIDE PRIVATE EASEMENT ADJOINING THE EAST PROPERTY LINE CONTAINING 6825.3 SQUARE FEET, MORE OR LESS, LOCATED IN SAN MARCOS, HAYS COUNTY, TEXAS. SAID EASEMENT BEING ACROSS A PORTION OF THE TRACT CONVEYED FROM JASBA GMBH, A GERMAN LIMITED COMPANY, BY DEED RECORDED IN VOLUME 1336 PAGE 595 OF THE DEED RECORDS OF HAYS COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at an iron pin on the west right-of-way line of IH-35, said point being the common corner of this tract with the Gulf Business Forms tract recorded in Volume 357 Page 703 of the Hays County Deed Records, thence S 45°02'00" W, 7.50 feet to the PLACE OF BEGINNING of the Private Easement centerline described herein;

THENCE N 44°20'16" W, 455.02 feet along the east property line to the centerline of the street right-of-way for Barnes Street, crossing at 420.0 feet the northwesterly corner of the Gulf Business Forms tract referenced above, and containing 6825.3 square feet, more or less.

Bearings for the description are based upon the deed recorded in Volume 391 Page 692 of the Deed Records of Hays County, Texas.

I, Douglas C. Hearn, a Registered Professional Land Surveyor, do hereby certify that these field notes accurately represent the result of an on-the-ground survey made under my supervision during August of 1996 and are correct to the best of my knowledge and belief.

HC 9813153 6 pgs

1427 915

PRIVATE EASEMENT

DATE:

GRANTOR: Capital Foresight Limited Partnership
ATTN: Naty Saidoff
9892 Gloucester Drive
Beverly Hills, California 90210

GRANTEE: City of San Marcos, a Municipal Corporation
630 East Hopkins Street
San Marcos, Hays County, Texas 78666

PROPERTY: A 25-foot wide strip of property adjoining the west right-of-way line if IH 35, containing 85,799.75 square feet, more or less, located in San Marcos, Hays County, Texas, and being a part of that certain tract recorded in Volume 1336, page 595 of the Hays County Deed Records and being more particularly described by metes and bounds in Exhibit "A."

RESERVATIONS FROM AND EXCEPTIONS TO CONVEYANCE AND WARRANTY: This grant is subject to all existing and valid easements, restrictions, reservations, covenants, conditions and other matters relating to the Property as the same are shown by instruments filed for record in the office of the County Clerk of Hays County, Texas. Grantor, its successors and assigns, reserves the right to use the land within the Property for purposes not inconsistent with Grantee's use of the Property, including without limitation, construction of driveways; provided the use shall not unreasonably interfere with the exercise by Grantee of the rights granted in this document.

CONSIDERATION: Ten Dollar ($10.00) and other good and valuable consideration, the receipt and sufficiency of which are acknowledged by the Grantor.

Grantor, for the consideration stated and subject to the reservations from and exceptions to conveyance and warranty, grants and conveys to Grantee a nonexclusive private easement for the purpose of enabling the Grantee to lay, construct, reconstruct, operate and maintain public utilities along, across, through, within and over the Property, and for Grantee's free and uninterrupted use, liberty, privilege and free ingress, egress and regress to the Property. Grantor binds Grantor and Grantor's successors and assigns to warrant and forever defend all and singular the Property to Grantee and Grantee's successors and assigns against every person whomsoever claiming or to claim the same or any part thereof, by through and under Grantor, but not otherwise

After construction or maintenance of the public utilities or other exercise of its rights under this easement, Grantee, at its sole cost and expense, agrees to promptly restore the surface of the Property to its condition immediately prior to the construction, maintenance or other activity to the extent reasonably possible.

When the context requires, singular nouns and pronouns include the plural.

Capital Foresight Limited Partnership

By: _____
NATY SAIDOFF
Printed Name
General Partner
Title

Return To.

CITY OF SAN MARCOS
ATTN: Legal Dept.
630 East Hopkins Street
San Marcos, TX 78666

STATE OF CALIFORNIA

COUNTY OF Los Angeles

This instrument was acknowledged before me on this 25th day of June, 1998 by NATY SADOFF, General Partner on behalf of Capital Foresight Limited Partnership proved through personal knowledge to be the person whose name is subscribed to this instrument.

Notary Stamp

JUDITH H. STEIN
COMM. #1066027
NOTARY PUBLIC - CALIFORNIA
LOS ANGELES COUNTY
My Comm. Expires August 4, 1998

Judith H. Stein
Notary Public

CAPITAL FORESIGHT LIMITED PARTNERSHIP

DESCRIPTION OF A 25-FEET WIDE PRIVATE EASEMENT ADJOINING THE WEST RIGHT-OF-WAY LINE OF IH-35 CONTAINING 85,799.75 SQUARE FEET, MORE OR LESS, LOCATED IN SAN MARCOS, HAYS COUNTY, TEXAS. SAID EASEMENT BEING ACROSS A PORTION OF THE TRACT CONVEYED FROM JASBA GMBH, A GERMAN LIMITED COMPANY, BY DEED RECORDED IN VOLUME 1336 PAGE 595 OF THE DEED RECORDS OF HAYS COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at an iron pin on the west right-of-way line of IH-35, said point being the common corner of this tract with the Gulf Business Forms tract recorded in Volume 357 Page 703 of the Hays County Deed Records, thence N 44°20'16" W, 12.50 feet to the PLACE OF BEGINNING of the Private Easement centerline described herein;

THENCE S 45°02'00" W, 3431.99 feet along the west right-of-way line of IH-35 to the west property line and the end of the easement and containing 85,799.75 square feet, more or less.

Bearings for the description are based upon the deed recorded in Volume 391 Page 692 of the Deed Records of Hays County, Texas.

I, Douglas C. Hearn, a Registered Professional Land Surveyor, do hereby certify that these field notes accurately represent the result of an on-the-ground survey made under my supervision during August of 1996 and are correct to the best of my knowledge and belief.

Douglas C. Hearn 5/11/98

HC 9823702 10 pgs

1472 568

DRAINAGE EASEMENT AGREEMENT

DATE: October 19, 1998

GRANTOR: CAPITAL FORESIGHT, a Nevada Limited Partnership

GRANTOR'S MAILING ADDRESS: 9892 GLOUCESTER DRIVE, BEVERLY HILLS, CALIFORNIA 90210

GRANTEE: KBLB PARTNERS, a Texas General Partnership composed of E. W. RICHARDSON, K. K. BLEWETT, and KEVIN BLEWETT

GRANTEE'S MAILING ADDRESS: In care of KEVIN BLEWETT, P.O. BOX 1549, SAN MARCOS, TEXAS 78667

DOMINANT ESTATE PROPERTY (INCLUDING ANY IMPROVEMENTS):

9.438 acres, more or less, of land area in the J.M. Veramendi Survey, Abstract No. 17, partially within the City of San Marcos, Hays County, Texas, being a portion of that tract described as 10.00 acres in a deed from Tereso G. Tobias et ux to Joe Bob Millican et ux dated June 4, 1986 and recorded in Volume 604, Page 260 of the Hays County Real Property Records, and being more particularly described by metes and bounds in Exhibit "A" attached hereto and incorporated by reference herein.

EASEMENT PROPERTY:

0.93 acres, more or less, of land in the J.M. Veramendi Survey No. 1, City of San Marcos, Hays County, Texas, being a portion of that 121.52 acre tract described in a deed from JASBA GMBH, a German Limited Company to Capital Foresight Limited Partnership dated August 11, 1997 and recorded in Volume 1336, Page 595 of the Hays County Official Public Records, and being more particularly described by metes and bounds in Exhibit "B" attached hereto and incorporated by reference herein.

EASEMENT PURPOSE: To function as a channel for the drainage of surface water from the Dominant Estate Property to a natural stream upon the Easement Property, all uses relating either directly or indirectly thereto, including but not limited to the construction, maintenance, repair, inspection, servicing, repairing and reconstruction of a drainage channel or canal, with ditches, laterals and/or levees in support thereof, and all rights of ingress and egress therefor.

CONSIDERATION: In exchange for an access easement over and upon the Dominant Estate Property as more fully described in an Access Easement Agreement from KBLB Partners to Capital Foresight, Ltd., recorded in the Official Public Records of Hays County, Texas.

RESERVATIONS FROM AND EXCEPTIONS TO CONVEYANCE AND WARRANTY:

Easements, rights-of-way, and prescriptive rights, whether of record or not; all presently recorded and valid instruments, other than encumbrances and conveyances, that affect the Easement Property.

Grantor, for the consideration and subject to the reservations from and exceptions to conveyance and warranty, GRANTS, SELLS, and CONVEYS to Grantee an easement over, upon and across the Easement Property for the Easement Purpose and for the benefit of the Dominant Estate Property, and portions thereof, together with all and singular the rights and appurtenances thereto in any wise belonging, to have and hold it to Grantee, Grantee's heirs, executors, administrators, successors, or assigns forever. Grantor binds Grantor and Grantor's heirs, executors, administrators, and successors to warrant and forever defend all and singular the easement to Grantee and Grantee's heirs, executors, administrators, successors, and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof, except as to the reservations from and exceptions to conveyance and warranty. The following terms and conditions shall apply to the easement:

1. Character of Easement. The easement granted is appurtenant to, and shall run with, the Dominant Estate Property, and portions thereof, whether or not such easement is referenced in any conveyance of the Dominant Estate Property, and/or any portion thereof.

2. Duration of Easement. The easement shall be perpetual.

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Order: lilly Comment:

3. Exclusiveness of Easement. The easement is nonexclusive, and Grantor reserves for Grantor and Grantor's heirs, successors and assigns the right to convey the same or other rights and/or easements to others, so long as such further conveyance is subject to this grant.

4. Maintenance. Improvement and maintenance of the Easement Property shall be at the sole expense of the holder of the easement. Such holder has the right to eliminate any encroachments into the Easement Property. The Easement Property shall be maintained in a neat and clean condition. In connection with any such drainage and related facilities and/or the construction thereof, the holder of the easement shall have the right to remove and/or relocate any fences located within the Easement Property or along or near the boundary lines thereof as may be reasonably necessary in order to construct said drainage and related facilities.

5. Rights Reserved. Grantor reserves for Grantor and Grantor's heirs, successors and assigns the right to continue to use and enjoy the surface of the Easement Property for all purposes which do not interfere with or interrupt the use or enjoyment of the easement.

6. Attorney's Fees. Any party to this Agreement who is the prevailing party in any legal proceeding against any other party brought under or in connection with this Agreement or the subject matter hereof, shall be additionally entitled to recover court costs and reasonable attorney fees, and all other litigation expenses, including deposition costs, travel and expert witness fees from the non-prevailing party.

7. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, representatives, successors and assigns where permitted by this Agreement.

8. Choice of Law. This Agreement shall be subject to and governed by the laws of the State of Texas, excluding any conflicts-of-law rule or principle that might refer the construction or interpretation of this Agreement to the laws of another state. Each party hereby submits to the jurisdiction of the state and federal courts in the State of Texas and to venue in the county or counties in which the Easement Property is situated.

9. Counterparts. This Agreement may be executed in any number of counterparts with the same effect as if all signatory parties had signed the same document. All counterparts shall be construed together and shall constitute one and the same instrument.

10. Effect of Waiver or Consent. No waiver or consent, express or implied, by any party to or of any breach or default by any party in the performance by such party of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by such party of the same or any other obligations of such party hereunder. Failure on the part of a party to complain of any act of any party or to declare any party in default, irrespective of how long such failure continues, shall not constitute a waiver by such party of its rights hereunder until the applicable statute of limitation period has run.

11. Further Assurances. In connection with this Agreement as well as all transactions contemplated by this Agreement, each signatory party hereto agrees to execute and deliver such additional documents and instruments and to perform such additional acts as may be necessary or appropriate to effectuate, carry out and perform all of the terms, provisions and conditions of this Agreement and all such transactions.

12. Indemnity. Each party hereby agrees to protect, indemnify and hold harmless the other party from and against any and all losses, costs (including, without limitation, the costs of litigation and attorney's fees), claims, causes of action, damages and liabilities that are attributable to the breach by the indemnifying party of any of the provisions of this Agreement.

13. Integration. This Agreement contains the complete agreement between the parties and cannot be varied except by the written agreement of the parties. The parties agree that there are no oral agreements, understandings, representations or warranties which are not expressly set forth herein.

14. Legal Construction. In case any one or more of the provisions contained in this Agreement shall for any reason be invalid, illegal or unenforceable in any respect, to the extent such invalidity or unenforceability does not destroy the basis of the bargain among the parties, such invalidity, illegality or unenforceability shall not affect any other

Description: Hays,TX Document-Book.Page 1472.568 Page: 2 of 10
Order: lilly Comment:

provision hereof and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein. Whenever required by the context, as used in this Agreement, the singular number shall include the plural and the neuter shall include the masculine or feminine gender, and vice versa. The Article and Section headings appearing in this Agreement are for convenience of reference only and are not intended, to any extent or for any purpose, to limit or define the text of any Article or Section. This Agreement shall not be construed more or less favorably between the parties by reason of authorship or origin of language.

15. Notices. Any notice or communication required or permitted hereunder shall be deemed to be delivered, whether actually received or not, when deposited in the United States mail, postage fully prepaid, registered or certified mail, and addressed to the intended recipient at the address shown herein, and if not so shown, then at the last known address according to the records of the party delivering the notice. Notice given in any other manner shall be effective only if and when received by the addressee. Any address for notice may be changed by written notice delivered as provided herein.

16. Recitals. Any recitals in this Agreement are represented by the parties hereto to be accurate, and constitute a part of the substantive agreement.

17. Time. Time is of the essence. Unless otherwise specified, all references to "days" shall mean and refer to calendar days. Business days shall exclude all Saturdays, Sundays, and Texas legal banking holidays. In the event the date for performance of any obligation hereunder shall fall on a Saturday, Sunday or Texas legal banking holiday, then that obligation shall be performable on the next following regular business day.

18. Indemnity by Easement Holder. The holder of the easement shall indemnify and hold harmless Grantor and Grantor's heirs, executors, administrators, successors and assigns and any lender which holds a lien covering any property, other than the Dominant Estate Property, affected by the easement from and against all liability, damages, suits, actions, costs and expenses of whatsoever nature (including reasonable attorney's fees) to persons or property caused by or arising out of any operation, construction, maintenance and/or alteration of the Easement Property, or the failure of the easement holder to comply at all times with all applicable laws, rules, regulations and safety standards in connection with the operation, construction, maintenance and/or alteration of the Easement Property.

19. Equitable Rights of Enforcement. In the event of any interference or threatened interference with the easement, such easement may be enforced by restraining orders and injunctions (temporary or permanent) prohibiting such interference and commanding compliance hereof, which restraining orders and injunctions shall be obtainable upon proof of the existence of such interference or threatened interference, and without the necessity of proof of inadequacy of legal remedies or irreparable harm, and shall be obtainable only by the parties hereto or those benefitted hereby; provided, however, nothing herein shall be deemed to be an election of remedies or a waiver of any other rights or remedies available at law or in equity.

CAPITAL FORESIGHT,
a Nevada Limited Partnership

By: _____
Name Title General Partner

ACCEPTED:

KBLB PARTNERS

By: _____
E. W. RICHARDSON, General Partner

Description: Hays,TX Document-Book.Page 1472.568 Page: 3 of 10
Order: lilly Comment:

provision hereof and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein. Whenever required by the context, as used in this Agreement, the singular number shall include the plural and the neuter shall include the masculine or feminine gender, and vice versa. The Article and Section headings appearing in this Agreement are for convenience of reference only and are not intended, to any extent or for any purpose, to limit or define the text of any Article or Section. This Agreement shall not be construed more or less favorably between the parties by reason of authorship or origin of language.

15. Notices. Any notice or communication required or permitted hereunder shall be deemed to be delivered, whether actually received or not, when deposited in the United States mail, postage fully prepaid, registered or certified mail, and addressed to the intended recipient at the address shown herein, and if not so shown, then at the last known address according to the records of the party delivering the notice. Notice given in any other manner shall be effective only if and when received by the addressee. Any address for notice may be changed by written notice delivered as provided herein.

16. Recitals. Any recitals in this Agreement are represented by the parties hereto to be accurate, and constitute a part of the substantive agreement.

17. Time. Time is of the essence. Unless otherwise specified, all references to "days" shall mean and refer to calendar days. Business days shall exclude all Saturdays, Sundays, and Texas legal banking holidays. In the event the date for performance of any obligation hereunder shall fall on a Saturday, Sunday or Texas legal banking holiday, then that obligation shall be performable on the next following regular business day.

18. Indemnity by Easement Holder. The holder of the easement shall indemnify and hold harmless Grantor and Grantor's heirs, executors, administrators, successors and assigns and any lender which holds a lien covering any property, other than the Dominant Estate Property, affected by the easement from and against all liability, damages, suits, actions, costs and expenses of whatsoever nature (including reasonable attorney's fees) to persons or property caused by or arising out of any operation, construction, maintenance and/or alteration of the Easement Property, or the failure of the easement holder to comply at all times with all applicable laws, rules, regulations and safety standards in connection with the operation, construction, maintenance and/or alteration of the Easement Property.

19. Equitable Rights of Enforcement. In the event of any interference or threatened interference with the easement, such easement may be enforced by restraining orders and injunctions (temporary or permanent) prohibiting such interference and commanding compliance hereof, which restraining orders and injunctions shall be obtainable upon proof of the existence of such interference or threatened interference, and without the necessity of proof of inadequacy of legal remedies or irreparable harm, and shall be obtainable only by the parties hereto or those benefitted hereby; provided, however, nothing herein shall be deemed to be an election of remedies or a waiver of any other rights or remedies available at law or in equity.

CAPITAL FORESIGHT,
a Nevada Limited Partnership

By:_____
Name Title

ACCEPTED:

KBLB PARTNERS

By:_____
E. W. RICHARDSON, General Partner

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Order: lilly Comment:

By: _____
K. K. BLEWETT, General Partner

By: _____
KEVIN BLEWETT, General Partner

ACKNOWLEDGMENTS

STATE OF CALIFORNIA *
*
COUNTY OF LOS ANGELES *

This instrument was acknowledged before me on this 10th day of September, 1998, by Leland Saidoff, Partner on behalf of CAPITAL FORESIGHT, a Nevada Limited Partnership.

JUDITH H. STEIN
COMM. #1056027
NOTARY PUBLIC - CALIFORNIA
LOS ANGELES COUNTY
My Comm. Expires August 4, 1998

_____
Notary Public, State of CALIFORNIA

STATE OF TEXAS *
*
COUNTY OF _____ *

This instrument was acknowledged before me on this _____ day of _____, 1998, by E. W. RICHARDSON, General Partner on behalf of KBLB PARTNERS.

_____
Notary Public, State of Texas

STATE OF TEXAS *
*
COUNTY OF _____ *

This instrument was acknowledged before me on this _____ day of _____, 1998, by K. K. BLEWETT, General Partner on behalf of KBLB PARTNERS.

_____
Notary Public, State of Texas

STATE OF TEXAS *
*
COUNTY OF _____ *

This instrument was acknowledged before me on this _____ day of _____, 1998, by KEVIN BLEWETT, General Partner on behalf of KBLB PARTNERS.

_____
Notary Public, State of Texas

AFTER RECORDING, RETURN TO:

_____
_____
_____

Description: Hays,TX Document-Book.Page 1472.568 Page: 5 of 10
Order: lilly Comment:

By: _____
K. K. BLEWETT, General Partner

By: _____
KEVIN BLEWETT, General Partner

ACKNOWLEDGMENTS

STATE OF Texas *
*
COUNTY OF Travis *

This instrument was acknowledged before me on this _____ day of _____, 1998, by _____, Partner on behalf of CAPITAL FORESIGHT, a Nevada Limited Partnership.

CHERIE TOWNSEND
MY COMMISSION EXPIRES
December 21, 2001

Cherie Townsend
Notary Public, State of TEXAS

STATE OF TEXAS *
*
COUNTY OF TRAVIS *

This instrument was acknowledged before me on this 19th day of October, 1998, by E. W. RICHARDSON, General Partner on behalf of KBLB PARTNERS.

CHERIE TOWNSEND
MY COMMISSION EXPIRES
December 21, 2001

Cherie Townsend
Notary Public, State of Texas

STATE OF TEXAS *
*
COUNTY OF TRAVIS *

This instrument was acknowledged before me on this 19th day of October, 1998, by K. K. BLEWETT, General Partner on behalf of KBLB PARTNERS.

CHERIE TOWNSEND
MY COMMISSION EXPIRES
December 21, 2001

Cherie Townsend
Notary Public, State of Texas

STATE OF TEXAS *
*
COUNTY OF TRAVIS *

This instrument was acknowledged before me on this 19th day of October, 1998, by KEVIN BLEWETT, General Partner on behalf of KBLB PARTNERS.

CHERIE TOWNSEND
MY COMMISSION EXPIRES
December 21, 2001

Cherie Townsend
Notary Public, State of Texas

AFTER RECORDING, RETURN TO:
Kevin Blewett
2990 IH 35 S
San Marcos, TX 78666

Description: Hays,TX Document-Book.Page 1472.568 Page: 6 of 10
Order: lilly Comment:

1266 135

DESCRIPTION OF 9.438 ACRES, MORE OR LESS, OF LAND AREA IN THE J.M. VERAMENDI SURVEY, ABSTRACT NO. 17, PARTIALLY WITHIN THE CITY OF SAN MARCOS, HAYS COUNTY, TEXAS, BEING A PORTION OF THAT TRACT DESCRIBED AS 10.00 ACRES IN A DEED FROM TERESO G. TOBIAS ET UX TO JOE BOB MILLICAN ET UX DATED JUNE 4, 1986 AND RECORDED IN VOLUME 604, PAGE 260 OF THE HAYS COUNTY REAL PROPERTY RECORDS, AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2" iron rod found at fence corner in the northwest line of Interstate Highway No. 35 for the east corner of this tract and the Millican 10.00 acre tract, for the north corner of that tract described as 0.611 acres in a deed from Tereso Tobias et al to the State of Texas dated January 14, 1956 and recorded in Volume 160, Page 258 of the Hays County Deed Records, and being the south corner of that tract described as 121.43 acres in a deed from Thomas T. Smith, Trustee, to Heinz Schwadarlapp et al dated April 8, 1983 and recorded in Volume 391, Page 692 of the Hays County Deed Records;

THENCE leaving the Schwaderlapp 121.43 acre tract and the PLACE OF BEGINNING as shown on that plat numbered 24084-96-c dated July 26, 1996 as prepared for K.B.L.E., Inc. by Byrn & Associates, Inc. of San Marcos, Texas, with the common northwest line of the State of Texas 0.611 acre tract and Interstate Highway No. 35 and southeast line of the Millican 10.00 acre tract, as fenced and used upon the ground, S 44° 06' 00" W (being the Bearing Basis of this description) 440.69 feet to a TXDOT brass and concrete monument found for the most easterly corner of that tract described as 0.577 acres in an agreed judgement between the State of Texas and Joe Bob Millican dated June 26, 1984 and recorded in Volume 1090, Page 267 of the Hays County Official Public Records (said 0.577 acres being a portion of the Millican 10.00 acre tract) for the easterly south corner of this tract;

THENCE leaving Interstate Highway No. 35 and the State of Texas 0.611 acre tract and crossing the Millican 10.00 acre tract with the northeast line of the State of Texas 0.577 acre tract, the following four courses:

1. S 89° 32' 49" W 70.53 feet to a TXDOT brass and concrete monument found for an angle point,
2. N 45° 11' 57" W 231.66 feet to a TXDOT brass and concrete monument found for an angle point,
3. N 81° 03' 34" W 234.71 feet to a TXDOT brass and concrete monument found for a corner, and
4. S 37° 20' 05" W 27.77 feet to a TXDOT brass and concrete monument found in the common southwest line of the Millican 10.00 acre tract and northeast line of McCarty Lane for the most westerly corner of the State of Texas 0.577 acre tract and an exterior corner in the southwest line of this tract;

THENCE leaving the State of Texas 0.577 acre tract with the common southwest line of the Millican 10.00 acre tract and northeast line of McCarty Lane, N 45° 01' 53" W 387.76 feet to a 1/2" iron rod

EXHIBIT A

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found for the west corner of this tract and the Millican 10.00 acre tract for the south corner of the remaining portion of that tract described as 20 acres in a deed from Chas. Fehlis to Teresa Tobias dated October 15, 1947 and recorded in Volume 139, Page 363 of the Hays County Deed Records (said Millican 10.00 acre tract being a portion of the Tobias 20 acre tract);

THENCE leaving McCarty Lane and crossing the Tobias 20 acre tract with the northwest line of the Millican 10.00 acre tract, N 47° 24' 52" E 541.65 feet to a 1/2" iron rod found in fence in the common northeast line of the Tobias 20 acre tract and southwest line of the aforereferenced Schwaderlapp 121.43 acre tract for the north corner of this tract and the Millican 10.00 acre tract and east corner of the remaining portion of the Tobias 20 acre tract;

THENCE leaving the remaining portion of the Tobias 20 acre tract with the common northeast line of the Millican 10.00 acre tract and southwest line of the Schwaderlapp 121.43 acre tract, as fenced and used upon the ground, S 45° 18' 08" E 789.11 to the PLACE OF BEGINNING.

There are contained within these metes and bounds 9.438 acres, more or less, of land area as prepared from public records and a survey made on the ground on July 26, 1996 by Byrn & Associates, Inc. of San Marcos, Texas.

David C. Williamson, R.P.L.S. #4190

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS

11-1-96 02:56 PM 9617726
VAL $17.00
MARGIE T VILLALPANDO, County Clerk
HAYS COUNTY

CLIENT: K.B.L.B.
DATE: July 26, 1996
SURVEY: Veramendi, J.M. A-17
COUNTY: Hays, Texas
JOB NO.: 24084-96
FND9.438

EXHIBIT A

Description: Hays,TX Document-Book.Page 1472.568 Page: 8 of 10
Order: lilly Comment:

DESCRIPTION OF 0.93 ACRES, MORE OR LESS, OF LAND IN THE J.M. VERAMENDI SURVEY NO. 1, CITY OF SAN MARCOS, HAYS COUNTY, TEXAS, BEING A PORTION OF THAT 121.52 ACRE TRACT DESCRIBED IN A DEED FROM JASBA GMBH, A GERMAN LIMITED COMPANY TO CAPITAL FORSIGHT LIMITED PARTNERSHIP DATED AUGUST 11, 1997 AND RECORDED IN VOLUME 1336, PAGE 595 OF THE HAYS COUNTY OFFICIAL PUBLIC RECORDS, AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2" iron rod found for the west corner of the Capital Forsight Limited Partnership 121.52 acre tract and this tract, and being the north corner of that tract described in a deed from Tereso Tobias et ux to Pablo H. Vasquez et ux dated March 6, 1978 and recorded in Volume 307, Page 168 of the Hays County Deed Records, and being in the southeast line of the Missouri-Kansas & Texas Railroad Company right-of-way;

THENCE leaving the PLACE OF BEGINNING with the northwest line the Capital 121.52 acre tract and southeast line of the MK&T Railroad Company tract, as shown on that plat numbered 24426-98-b as prepared on August 3, 1998 for Naty Saidoff by Byrn & Associates, Inc. of San Marcos, Texas, N 47° 14' 03" E 255.00 feet to a point for the north corner of the herein described tract;

THENCE entering the 121.52 acre tract, S 42° 45' 57" E 35.00 feet to a point for a corner;

THENCE S 47° 14' 03" W 183.35 feet to an angle point;

THENCE S 00° 55' 04" W 48.35 feet to an angle point;

THENCE S 45° 23' 55" E 773.16 feet to an angle point;

THENCE S 45° 13' 08" E 80.06 feet to a point for the southeast corner of the herein described tract;

THENCE S 44° 46' 52" W 35.00 feet to a point in the common southwest line of the Capital Forsight 121.52 acre tract and the northeast line of that 9.438 acre tract conveyed in a deed from Joe Bob Millican et al to KBLB Partners dated November 1, 1996 and recorded in Volume 1266, Page 132 of the Hays County Official Public Records, from which a 1/2" iron rod found for the south corner of the 121.52 acre tract, bears S 45° 13' 08" E 710.56 feet;

THENCE with the common southwest line of the 121.52 acre tract and northeast line of the KBLB Partners 9.438 acre tract, as fenced and used upon the ground, N 45° 13' 08" W 80.06 feet to a 1/2" iron rod found for an angle point in the southwest line of the 121.52 acre tract and the north corner of the KBLB 9.438 acre tract and being the east corner of the remaining portion of that 20.0 acre tract described in a deed from Chas. Fehlis to Tereso Tobias dated October 15, 1947 and recorded in Volume 139, Page 363 of the Hays County Deed Records;

EXHIBIT B
Page 1 of 2

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Order: lilly Comment:

THENCE with the common southwest line of the 121.52 acre tract and northeast line of the Tobias 20.0 acre tract (said tract having been cut into numerous parcels all of which are referenced on aforereferenced plat), N 45° 23' 55" W 844.70 feet to the PLACE OF BEGINNING.

There are contained within these metes and bounds 0.93 acres, more or less, of land area as prepared from public records and a survey made on the ground on August 3, 1998 by Byrn & Associates, Inc. of San Marcos, Texas.

David C. Williamson, R.P.L.S. #4190

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS
11-[illegible]02

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS

11-5-98 02:54 PM 9823702
KLEEN $27.00
MARGIE T VILLALPANDO, County Clerk
HAYS COUNTY

CLIENT: Saidoff, N
DATE: August 3, 1998
SURVEY: Veramendi, JM, No. 1
COUNTY: Hays, Texas
JOB NO.: 24426-98
FND0.93

EXHIBIT B
Page 2 of 2

Description: Hays,TX Document-Book.Page 1472.568 Page: 10 of 10
Order: lilly Comment:

CITY OF SAN MARCOS WASTEWATER EASEMENT

Date: DECEMBER 8, 2003

Grantor: Capital Foresight Limited Partnership
9892 Gloucester Drive, Beverly Hills, CA 90210

Grantee: CITY OF SAN MARCOS, TEXAS
630 E. Hopkins Street, San Marcos, Texas 78666

Consideration: Ten Dollars ($10.00) and other valuable consideration.

Easement Area: All of 0.199 acres of real property out of the J.M. Veramendi League, Abstract 17, Hays County, Texas, and being a portion of that certain 121.52 acres tract described in a deed from JASBA GFMBH to Capital Foresight Limited Partnership dated August 11, 1997 and recorded in Volume 1336, Page 595 of the Official Public Records of Hays County, Texas, and being described by metes and bounds on the attached Exhibit "A", which is incorporated herein for all intents and purposes.

Grant of Easement: Grantor, for the consideration, grants, bargains, sells and conveys unto Grantee, its successors and assigns, a perpetual easement and right-of-way for the specific purpose of laying, erecting, constructing, operating, repairing, replacing, and maintaining a wastewater pipe line and related appurtenances including necessary valves and fittings, (the utility facilities and related appurtenances being referred to collectively as the "Utility Facilities"), to be located at least 3 feet below the surface of the real property under the Easement Area which Grantor owns ("Grantor's Property"), together with surface uses incidental to the reasonable use of the Easement such as valves, fittings, and manholes, including the right of ingress and egress over and across the Easement Area and the right to excavate and refill ditches and trenches for the construction, repair, replacement, maintenance and operation of the wastewater pipe line (the foregoing grant and rights being collectively referred to herein as the "Easement"), PROVIDED HOWEVER that Grantee shall restore the surface of the Easement Area and the Temporary Easement described below to the condition it was in prior to such construction or maintenance.

To have and to hold it to Grantee and Grantee's successors or assigns forever. Grantor binds Grantor and Grantors heirs, executors, administrators, successors and assigns to warrant and forever defend this Easement to Grantee and Grantee's successors and assigns against every person whomever lawfully claiming or to claim the same or any part thereof, when the claim is by, through or under Grantor, but not otherwise.

Grant of Temporary Easement: It is further understood and agreed that Grantor also grants, bargains, sells, rents and conveys unto Grantee a temporary easement and right-of-way in connection with the laying and constructing of the Utility Facilities (the "Temporary Easement"). The Temporary Easement shall allow Grantee to use the Temporary Easement Area (defined below) to perform the construction of the Utility Facilities as provided under the Easement granted above. The "Temporary Easement Area" shall be a strip of land along and adjoining the Easement Area as illustrated on the plat attached as part of Exhibit "A". It is understood and agreed that the Temporary Easement shall expire upon the completion of the construction of the Utility Facilities and restoration of the Easement Area and the Temporary Easement Area, which shall be completed within 270 days of commencement of construction, and Grantee shall prepare and file at Grantee's expense a release of the Temporary Easement Area in the Official Public Records of Hays County, Texas.

When the context requires, singular nouns and pronouns include the plural.

GRANTOR:
Capital Foresight Limited Partnership

By: _____
Print Name and Title: _____

Description: Hays,TX Document-Book.Page 2367.477 Page: 1 of 6
Order: lilly Comment:

STATE OF CALIFORNIA }
COUNTY OF LOS ANGELES }

This instrument was acknowledged before me on the 18TH day of NOVEMBER 2003, by NATY SAIDOFF, as _____ of Capital Foresight Limited Partnership, on behalf of said limited partnership.

HI YOUNG KIM
Commission # 1386794
Notary Public - California
Los Angeles County
My Comm. Expires Nov 24, 2006

Hi Young Kim
Notary Public

DESCRIPTION OF 0.159 ACRES, MORE OR LESS, OF LAND AREA IN THE J.M. VERAMENDI SURVEY NO. 3, ABSTRACT NO. 17, CITY OF SAN MARCOS, HAYS COUNTY, TEXAS, BEING A PORTION OF THAT TRACT DESCRIBED AS 121.52 ACRES IN A DEED FROM VASHA GREN TO CAPITAL FORESIGHT LIMITED PARTNERSHIP DATED AUGUST 11, 1997 AND RECORDED IN VOLUME 1936, PAGE 595 OF THE HAYS COUNTY OFFICIAL PUBLIC RECORDS AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS;

BEGINNING at a ½" iron rod set in the northeast line of the Capital Foresight 121.52 acre tract and southeast line of that tract described as a 200 foot wide strip of land in a deed from Jas. L. Malone and E. F. Malone to the International Railroad Company dated October 27, 1871 and recorded in Volume E, Page 10 of the Hays County Deed Records for the northeast corner of this description, from which a ½" iron rod found for the east corner of the Capital Foresight 151.52 acre tract and north corner of that tract described in a deed from Teresa Tobias et ux to Pablo E. Vasquez et ux dated March 6, 1978 and recorded in Volume 307, Page 168 of the Hays County Deed Records bears S 46°39'44" W 1850.59 feet;

THENCE leaving the PLACE OF BEGINNING as shown on that plat numbered 05353-02-B.2-a dated January 30, 2003 prepared for the City of San Marcos by Byrn & Associates, Inc., of San Marcos, Texas, with the common northwest line of the Capital Foresight 121.52 acre tract and southeast line of the International Railroad Company 200 foot strip S 46°39'44" E 17.50 feet to a ½" iron rod set for the north corner of this description;

THENCE leaving the International Railroad Company 200 foot strip entering the Capital Foresight 121.52 acre tract with the northeast line of this description, the following four courses:

1. S 43°20'16" E 40.00 feet to a ½" iron rod set for exterior corner,
2. S 46°39'48" W 21.72 feet to a ½" iron rod set for interior corner,
3. S 11°19'36" E 187.29 feet to a ½" iron rod set for angle point, and
4. S 33°45'39" E 188.64 feet to a ½" iron rod set in the northeast line of that tract described as a 2.51 acre drainage and public utility easement in an unrecorded deed from Capital Foresight, Limited Partnership to the City of San Marcos dated October 9, 2001, for the most easterly south corner of this description,

THENCE with the northeast and northwest lines of the City of San Marcos 2.51 acre drainage and public utility easement, the following two courses:

1. N 55°23'25" W 23.67 feet to a ½" iron rod found with plastic cap stamped "Byrn Survey" for interior corner, and
2. S 23°38'52" W 3.07 feet to a ½" iron rod set for the most westerly south corner of this description,

Description: Hays,TX Document-Book.Page 2367.477 Page: 3 of 6
Order: lilly Comment:

THENCE leaving the City of San Marcos 2.51 acre drainage and public utility easement with the southwest line of this description the following three courses:

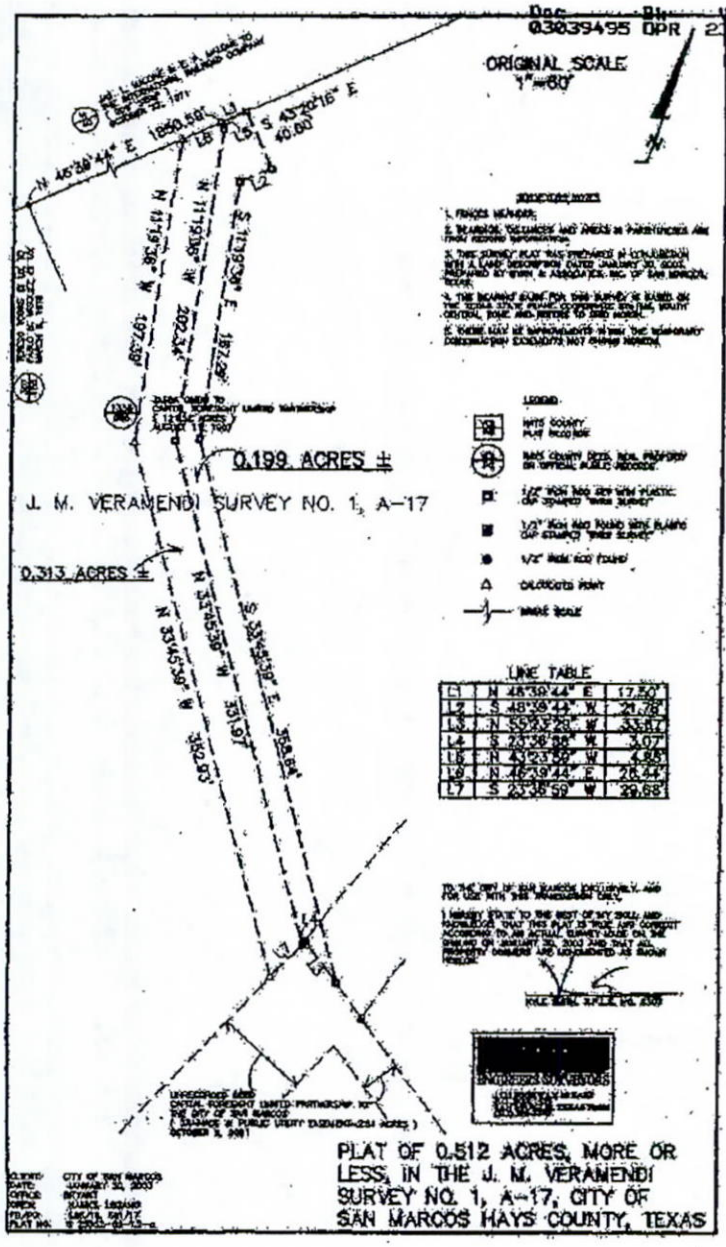
1. N 33°48'35" W 331.97 feet to a ½" iron rod set for angle point,
2. N 11°12'35" W 202.34 feet to a ½" iron rod set for angle point, and
3. N 43°23'59" W 6.85 feet to the PLACE OF BEGINNING.

There are contained within these metes and bounds 0.198 acres, more or less, as prepared from public records and a survey made on the ground on January 30, 2003 by Byrn & Associates, Inc. of San Marcos, Texas. All ½" iron rods set are capped with a plastic cap stamped "Byrn Survey". The bearing basis for this description is based on the Texas State Plane Coordinate System, South Central Zone, and refers to grid north.

Kyle Smith, R.P.L.S. NO. 5307

CLIENT: City of San Marcos
DATE: January 30, 2003
SURVEY: Veramendi, J. M. A-17
COUNTY: Hays, Texas
JOB NO.: 28352-02-1.2
FN\0.198AC.DOC

Description: Hays,TX Document-Book.Page 2367.477 Page: 4 of 6
Order: lilly Comment:


ORIGINAL SCALE
1"=60'
0.199 ACRES ±
J. M. VERAMENDI SURVEY NO. 1, A-17
0.313 ACRES ±
LINE TABLE
L1 N 46°39'44" E 17.50'
L2 S 46°39'44" W 21.78'
L3 N 59°53'28" W 33.67'
L4 S 23°36'59" W 3.07'
L5 N 43°23'59" W 4.85'
L6 N 46°39'44" E 26.44'
L7 S 23°36'59" W 29.68'
PLAT OF 0.512 ACRES, MORE OR LESS, IN THE J. M. VERAMENDI SURVEY NO. 1, A-17, CITY OF SAN MARCOS HAYS COUNTY, TEXAS

Doc	Bk	Vol	Pg
03039495	OPR	2367	482

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS
On: Dec 18,2003 at 09:53A

Document Number: 03039495

Amount: 19.00

By
Lynn Curry
Lee Carlisle, County Clerk
Hays County

RETURN TO: David Bisett
P.O. Box 706
Wimberley, TX
78676

Bk Vol Pg
05012918 OPR 2683 653

DEED DEDICATING DRAINAGE AND PUBLIC UTILITY EASEMENT

Date: October 9, 2001

Grantor: Capital Foresight, Limited Partnership C/O Naty Saidoff

Grantor's Mailing Address (including county): 2980 Beverly Glen Circle, Ste 201
Bel Air, California 90077

Grantee: City of San Marcos

Grantee's Mailing Address (including county): 630 E. Hopkins, San Marcos, Hays County, Texas 78666

Consideration: Ten Dollars ($10.00) and other valuable consideration.

Property: see attached field note description and plat

Grantor, for the consideration, grants, sells and conveys an easement in the property for public utility and drainage purposes to Grantee, to have and to hold it to Grantee, Grantee's successors or assigns forever. Grantor binds Grantor and Grantor's heirs, executors, administrators, successors to warrant and forever defend this easement to Grantee and Grantee's successors and assigns against every person whomever lawfully claiming or to claim the same or any part thereof.

When the context requires, singular nouns and pronouns include the plural.

Executed this the 10th day of October, 2001.

Grantor: Capital Foresight, Limited Partnership

By: Naty Saidoff

Naty Saidoff GP
printed name, title

STATE OF CALIFORNIA

COUNTY OF Los Angeles

This instrument was acknowledged before me on the 10th day of October, by HI YOUNG KIM, NOTARY PUBLIC, on behalf of NATY SAIDOFF.

Notary Seal

HI YOUNG KIM
Comm. # 1202350
NOTARY PUBLIC - CALIFORNIA
Los Angeles County
My Comm. Expires Nov. 19, 2002

Hi Young Kim
Notary Public, State of California LA county.

DESCRIPTION OF 2.51 ACRES, MORE OR LESS, OF LAND AREA IN THE J.M. VERAMENDI SURVEY NO. 1, CITY OF SAN MARCOS, HAYS COUNTY, TEXAS, BEING A PORTION OF THAT TRACT DESCRIBED AS 121.52 ACRES IN A DEED FROM JASBA GMBH TO CAPITAL FORESIGHT LIMITED PARTNERSHIP DATED AUGUST 7, 1997 AND RECORDED IN VOLUME 1336, PAGE 595 OF THE HAYS COUNTY OFFICIAL PUBLIC RECORDS, AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a ½" iron rod found with a plastic cap stamped "Byrn Survey" in the southwest line of the Capital Foresight 121.52 acre tract and the common north corner of that tract described as 9.438 acres in a deed from Joe Bob Millican et al to KBLB Partners dated November 1, 1996 and recorded in Volume 1266, Page 132 of the Hays County Official Public Records and the east corner of that tract described in a deed from Tereso Tobias et ux to Ermelinda Tobias Villegas et vir dated July 28, 1988 and recorded in Volume 743, Page 856 of the Hays County Real Property Records;

THENCE leaving the PLACE OF BEGINNING and the KBLB Partners tract with the common southwest line of the Capital Foresight 121.52 acre tract and the northeast line of the Tobias tract, as shown on that plat numbered 24426-01-16-c dated July 25, 2001 as prepared for Naty Saidoff by Byrn & Associates, Inc. of San Marcos, Texas, N 45° 24' 26" W 0.07 feet to a calculated point;

THENCE leaving the southwest line of the Capital Foresight 121.52 acre tract and entering the Capital Foresight 121.52 acre tract, the following thirteen courses:

1. N 44° 08' 00" E 749.65 feet to a ½" iron rod set for the beginning of a left-breaking curve,

2. with a left-breaking curve having the following characteristics: central angle = 19° 58' 13", radius = 1310.00 feet, arc length = 456.60 feet and a chord which bears N 34° 08' 53" E 454.29 feet to a ½" iron rod set,

3. N 24° 09' 47" E 503.72 feet to a ½" iron rod set for the north corner of this description,

4. S 54° 55' 14" E 463.52 feet to a ½" iron rod set for an angle point, pass at 61.11 feet a ½" iron rod set,

5. S 61° 02' 31" E 258.97 feet to a ½" iron rod set for an angle point,

6. S 72° 55' 11" E 345.71 feet to a ½" iron rod set in the northwest line of an existing 25 foot public utility easement recorded in Volume 1427, Page 915 of the Hays County Official Public Records for the east corner of this description,

7. with the northwest line of the 25 foot public utility

Description: Hays,TX Document-Book.Page 2683.653 Page: 2 of 5
Order: lilly Comment:

easement, S 44° 09' 03" W 28.08 feet to a ½" iron rod set,

8. leaving the northwest line of the 25 foot public utility easement, N 72° 55' 11" W 335.53 feet to a ½" iron rod set for an angle point,

9. N 61° 02' 31" W 262.91 feet to a ½" iron rod set for an angle point,

10. N 54° 55' 14" W 398.93 feet to a ½" iron rod set for the for an interior corner of this description,

11. S 24° 09' 47" W 466.69 feet to a ½' iron rod set for the beginning of a right-breaking curve,

12. with a right-breaking curve having the following characteristics: central angle = 19° 58' 13", radius = 1370.00 feet, arc length = 477.51 feet and a chord which bears S 34° 08' 53" W 475.10 feet to a ½" iron rod set, and

13. S 44° 08' 00" W 750.14 feet to a ½" iron rod found with a plastic cap stamped "Byrn Survey" in the common southwest line of the Capital Foresight 121.52 acre tract and the northeast line of the KBLB 9.438 acre tract for the west corner of Lot 1, Block 1, San Marcos Outlet Park recorded in Volume 9, Page 399 of the Hays County Plat Records, pass at 250.14 feet a ½" iron rod found with a plastic cap stamped "Byrn Survey" at the north corner of Lot 1, Block 1, San Marcos Outlet Park;

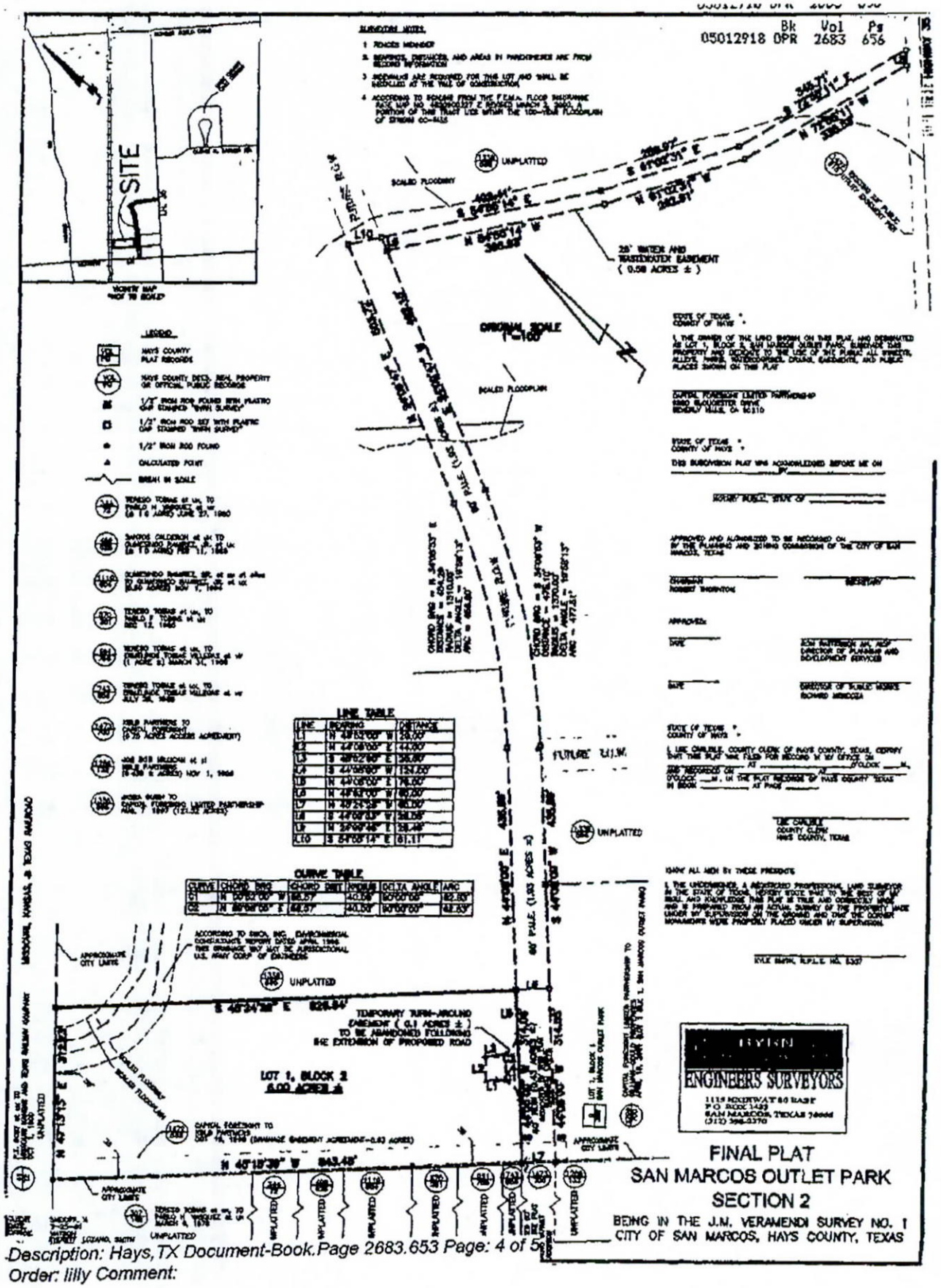
THENCE with the common southwest line of the Capital Foresight 121.52 acre tract and the northeast line of the KBLB 9.438 acre tract, N 45° 24' 26" W 59.93 feet to the PLACE OF BEGINNING.

There are contained within these metes and bounds 2.51 acres, more or less, of land area as prepared from public record and a survey made on the ground on July 25, 2001 by Byrn & Associates, Inc. of San Marcos, Texas. All ½" iron rods set are capped with a plastic cap stamped "Byrn Survey". The Bearing Basis for this description is the northwest line of Lot 1, Block 1, San Marcos Outlet Park, the record bearing being (S 44° 08' 00" W).

Kyle Smith, R.P.L.S. #5307

CLIENT: Saidoff, N.
DATE: July 25, 2001
SURVEY: Veramendi, JM No. 1
COUNTY: Hays, Texas
JOB NO.: 24426-01-16
FND2.51

Description: Hays,TX Document-Book.Page 2683.653 Page: 3 of 5
Order: lilly Comment:



Description: Hays,TX Document-Book.Page 2683.653 Page: 4 of 5
Order: lilly Comment:

RETURN TO: DAVID BISER
P.O. BOX 706
WIMBERLEY, TX
78676

Bk	Vol	Pg	
05012918	OPR	2683	657

Filed for Record in:
Hays County
On: May 10,2005 at 01:34P
Document Number: 05012918
Amount: 22.00
Receipt Number - 124382
By:
Lynn Curry, Deputy

Lee Carlisle, County Clerk
Hays County

Description: Hays,TX Document-Book.Page 2683.653 Page: 5 of 5
Order: lilly Comment:

549 234

216078

PUBLIC IMPROVEMENT CONSTRUCTION AND FINANCING AGREEMENT

BETWEEN

CITY OF SAN MARCOS, TEXAS

AND

FINANCIAL MANAGEMENT GROUP,
a partnership comprised of
Heinz Schwaderlapp, Maria Schwaderlapp,
Michael Schwaderlapp, Julia Schwaderlapp,
Petra Schwaderlapp and Hubert Hubinger

THE STATE OF TEXAS §
§
COUNTY OF HAYS §

This Agreement is entered into as of the 16 day of May, 1985, by and between the City of San Marcos, Texas, a home rule city located in Hays County, Texas (the "City"), and Financial Management Group, a partnership comprised of Heinz Schwaderlapp, Maria Schwaderlapp, Michael Schwaderlapp, Julia Schwaderlapp, Petra Schwaderlapp and Hubert Hubinger (the "Developer").

RECITALS

The Developer is the owner of approximately 121.43 acres of land more particularly described by metes and bounds in Exhibit A attached hereto and made a part hereof. All of said land is within the present boundaries of the City, and the City has designated such property as Reinvestment Zone No. 1, City of San Marcos, Texas (the "Reinvestment Zone"), in accordance with the Texas Tax Increment Financing Act of 1981, as amended (Article 1066e, Vernon's Texas Civil Statutes). With the assistance of the Developer, a project plan (the "Plan") for the Reinvestment Zone has been prepared, and the Plan has been approved by the Board of Directors of the Reinvestment Zone (the "Board of Directors") and the City Council of the City. The Plan describes certain public improvements including Transportation Improvements, Wastewater Improvements, Water Improvements, Drainage Improvements, Utilities Improvements, and Site Improvements (referred to herein as the "Facilities," and collectively as the "Project") required for

Real Property Records
Hays County Texas

the orderly development of the area within the Reinvestment Zone and contains an estimate of the costs of the Project totaling $6,571,627.00. The Developer desires to proceed with the construction of the Project in order to facilitate the development of the area within the Reinvestment Zone provided that the costs of the Project are reimbursed by the City from the Tax Increment Fund established for the Reinvestment Zone. The City is willing for the Developer to proceed with the construction of the Project and is willing to reimburse the costs thereof from said Tax Increment Fund upon the terms and conditions described herein.

AGREEMENT

For and in consideration of the mutual promises, covenants, obligations and benefits of this Agreement, the City and the Developer contract and agree as follows:

ARTICLE I

Construction of the Project

Section 1: The Project. The construction of the Project shall be divided into two phases, as described in the Plan set forth in the Plan booklet dated February 6, 1985. The Facilities to be included in each phase of the Project are generally described in the Plan, but specific Facilities may be changed or modified with the mutual consent of the parties.

Section 2: Design and Approval. The Developer will retain engineers for the design of the Project. All improvements will be designed in accordance with applicable rules, regulations, and standards of the City, Hays County, and all other local, state and federal agencies having jurisdiction. All contracts entered into by the Developer in connection with construction of the Project, including engineering contracts, shall be submitted to the Board of Directors and the City. In addition, all plans and specifications for improvements comprising the Project shall be submitted to the Board of Directors and the City. All permits or licenses necessary for construction of the Project will be acquired by the Developer.

Section 3: Construction. Upon completion of the design of a Facility, and after receiving all necessary permits and licenses required by Section 2 above, the Developer will proceed with construction of such Facility. All Facilities comprising the

Project shall be constructed in dedicated public rights-of-way or easements, or in designated sites granted to the City by the Developer. The Developer's engineers shall provide construction phase services. The City shall have the right to inspect the Project during construction. The Developer shall require its engineers to prepare as-built plans for all Facilities constructed pursuant to this Agreement and reproducible copies thereof shall be provided to the City.

Section 4: Cost of Project to be Funded by the Developer. The Developer hereby agrees promptly to pay, as they become due, all costs of the Project, including, without limitation, all costs of design, engineering, surveying, soil testing, materials, labor, construction, and inspection arising in connection with the Project; all costs incurred in connection with obtaining governmental approvals, certificates, permits, easements, or sites required as a part of the Project, attorneys' fees; and all out-of-pocket expenses incurred in connection therewith. The City shall not be liable to any contractor, engineer, attorney, materialman, or other party employed or contracted with in connection with the Project, but shall only be liable as provided in Article II of this Agreement.

Section 5: Acceptance by the City. Upon completion of construction of each Facility comprising the Project for each phase of the Project, the City shall, in company with the Developer's engineer, provide final inspection of that Facility and shall provide a list of any defects or deficiencies to the contractor. At such time as all such defects and deficiencies have been corrected to the satisfaction of the City, the Developer's engineer shall provide a certificate of completion to the Developer and the City. After the certificate of completion has been issued by the engineer and final payment to the contractor has been made by the Developer, the Developer shall provide a certificate, in duplicate, in the form attached as Exhibit B hereto, to the City and the City shall note thereon its acceptance of the improvements thus constructed. The City shall not be obligated to accept any Facility unless it is free and clear of all liens, claims, and encumbrances, other than the Developer's equitable interest described in Section 6 below.

Section 6: Ownership and Maintenance of Improvements. Upon completion and acceptance of each Facility as provided in Section 5 above, the City shall assume ownership of such Facility and, during the term of this Agreement, responsibility for its operation and maintenance. Title to all such Facilities shall pass to the City upon delivery of the certificate relating

thereto by the Developer as provided in Section 5 above, provided, however, the Developer shall retain an equitable interest in said Facilities pending payment by the City of the Purchase Price for said Facilities as provided in Article II of this Agreement. During the term of the Reinvestment Zone, the City shall be responsible for ordinary maintenance and repair of the Facilities in the Project. In the event that all or part of such Facilities are damaged or destroyed by storm or other extraordinary occurrence, the maintenance or repair expenses shall be paid by the City. The City shall not be required to purchase insurance for the Project, but may do so at its option.

Section 7: Indemnity. The Developer agrees that it will indemnify and hold harmless the City against all losses, costs, damages, expenses, and liabilities (herein collectively referred to as "Losses") of whatsoever nature (including, but not limited to, attorneys' fees, litigation and court costs, amounts paid in settlement and amounts paid to discharge judgments) directly or indirectly resulting from, arising out of, or relating to one or more Claims, as hereinafter defined. The term "Claims" as used herein shall mean all claims, lawsuits, causes of action, and other legal actions or proceedings brought against the City or to which the City is a party, even if groundless, false, or fraudulent, that directly or indirectly result from, arise out of or relate to the construction of the Project. The expiration of the term of this Agreement shall not relieve the Developer from liability assumed hereunder and arising prior to the expiration of such term. In case any action shall be brought against the City in respect of which the indemnity of the Developer hereunder is applicable, the City shall promptly notify the Developer in writing and the Developer shall assume the investigation and defense thereof, including the employment of counsel and the payment of all expenses. The City shall have the right to employ separate counsel in any such action and participate in the investigation and defense thereof at the City's expense. The Developer shall not be liable for any settlement of any such action without its consent, but if any such action is settled with the consent of the Developer or final judgment is rendered for the plaintiff in any such action, the Developer agrees to indemnify and hold harmless the City from and against any Losses by reason of such settlement or judgment. To the extent provided above, the provisions of this Section shall survive the expiration or termination of this Agreement. In connection with such indemnity, Developer agrees to provide or have provided to the City by contractors involved in the construction of the Project surety bonds in the aggregate amount of at least $500,000.00 in form approved by the City Attorney. Each bond shall remain in effect for the duration

of the construction contract between such contractor and the Developer.

ARTICLE II

Payment for Improvements

Section 1: General. In consideration of the construction of the Project and the transfer of the Facilities comprising the Project to the City, all in the manner provided in Article I of this Agreement, the City hereby agrees to make payment to the Developer of the sums described below, but only from the Tax Increment Fund created for the Reinvestment Zone.

Section 2: Reimbursable Expenditures. Upon completion of each construction contract for each phase of the Project and acceptance of the Facilities constructed pursuant to such contract by the City, the Developer shall prepare a report describing all reimbursable expenditures made by the Developer in connection with such contract and incurred during the term of such contract for ongoing expenses relating to the Project or administration of the Reinvestment Zone and shall document all such expenditures by providing copies of invoices and cancelled checks. For purposes of this Agreement, the phrase "reimbursable expenditures" shall include only the following: (a) Payments to contractors pursuant to construction contracts provided to the City; (b) Payments to engineers for design and construction phase services pursuant to engineering contracts provided to the City; (c) Payments to planners for design services; (d) Payment for surveying and soil testing fees; (e) Payment for materials testing fees; (f) Payments to other outside consultants on the Project pursuant to consulting contracts provided to the City; (g) Accounting fees; (h) Legal fees; (i) Miscellaneous expenses; and (j) Reimbursement of prior engineering, construction, planning, accounting and legal fees relating to services rendered in connection with this Project and constituting a part of this Project as detailed on the attached Exhibit C. Upon approval of said report by the City, which approval shall not unreasonably be withheld, the total of all reimbursable expenditures made by the Developer as described in the report, shall be the "Project Cost" for that Facility and the Developer shall be entitled to the "Purchase Price" for such Facility. The Purchase Price to be paid by the City for each Facility shall be, subject to the limitations described below, the sum of the Project Cost plus "Accrued Interest," computed as described in Section 3 below. The City may, at its option employ independent auditors to review any report of reimbursable

expenditures submitted by the Developer, and the fees of such auditors to review any report of reimbursable expenditures submitted by the Developer shall be included as a Project Cost of the subject Facilities. The Developer agrees to maintain appropriate books and records relating to the costs of the design and construction of the Project and to make such books and records available to the City during normal business hours at the Developer's offices.

Section 3: Accrued Interest. The Developer shall be entitled to receive interest on all reimbursable expenditures associated with the Project and approved by the City from the date of expenditure to the date of reimbursement, less a 45-day grace period that begins on the date of billing. Interest on the reimbursable expenditures incurred by the Developer shall accrue at the same rate of interest charged to the Developer by the entity providing it with financing to construct the Project, or at such lower rate as may hereafter be determined to be the maximum lawful rate payable by the City, it being the parties' intent to comply with the Constitution and laws of the State of Texas in all respects, including, in particular, the laws relating to usury. The Developer shall provide satisfactory documentation to the City indicating the rate or rates at which it has secured financing for the construction of the Project. Should the Developer discharge its indebtedness prior to termination of the Reinvestment Zone, interest on the reimbursable expenditures incurred by the Developer shall accrue at the base rate of InterFirst Bank Austin, N.A., a national banking association with offices in Travis County, Texas. Such rate shall be determined on an annual basis, that is, on January 1 of each year following the year of discharge of its indebtedness by the Developer the base rate of InterFirst Bank Austin, N.A. shall be the rate of interest that accrues on the reimbursable expenditures for such year.

Section 4: Tax Increment Fund. The tax increment base for the Reinvestment Zone is hereby agreed to be $2,428,600.00. All increases in the appraised value of property within the Reinvestment Zone over and above the tax increment base shall be for the benefit of the Project which is the subject of this contract within the Reinvestment Zone during the term of this Agreement, and all taxes levied by taxing units of the State against said increases in appraised values shall be deposited into the Tax Increment Fund and shall be expended as provided in this Agreement for repayment of this Project.

Section 5: Payments to the City. In order to provide for proper administration of the Reinvestment Zone, the City shall

make an annual payment from the Tax Increment Fund to the City of $1,000.00 for general and administrative services relating to the Reinvestment Zone.

Section 6: Payments to the Developer. After making the payments required by Section 5 above, any money remaining in the Tax Increment Fund shall be paid monthly to the Developer, provided that such payments shall not exceed the total Purchase Price of all Facilities associated with this Project and approved and accepted by the City. Moneys paid to the Developer in accordance with this Section shall be credited first towards Accrued Interest due the Developer and thereafter towards approved Project Costs.

Section 7: Limitations on Payments to the Developer. The Developer shall only receive payments from the Tax Increment Fund, and then only to the extent that money is available in the Fund with respect to taxes levied during the years from 1984 to 1996. The Tax Increment Fund referred to herein shall be limited to those funds received based on the property owned by the Developer as of the date hereof and more particularly described by metes and bounds in Exhibit A attached hereto and made a part hereof. Taxes levied in years subsequent to 1996, shall belong to the taxing units levying same and shall not be deposited into the Tax Increment Fund or paid to the Developer.

ARTICLE III

Representations

Section 1: Representations by Developer. The Developer represents that:

a. This Agreement, the transaction contemplated herein, and the execution and delivery of this Agreement have been duly authorized by appropriate action of the Developer;

b. This Agreement, and the representations and covenants contained herein, and the consummation of the transaction contemplated herein, will not violate or constitute a breach of any contract or other agreement to which the Developer is a party; and

c. This agreement is subject to the Developer obtaining sufficient financing arrangements to assure

its ability to provide funds to pay the costs of the Project. The Developer agrees to provide written confirmation of such arrangements to the City prior to beginning construction of the Project.

Section 2: Representations by the City. The City represents that all actions necessary for the creation of the Reinvestment Zone and the Tax Increment Fund have been taken by the City, including approval of the Plan, and the City hereby represents that it will proceed diligently to collect the tax increment revenues applicable to it as a taxing unit caused by increases in appraised values in the Reinvestment Zone and will deposit same in the Tax Increment Fund and verify that the same is done by the other taxing units that tax the real property in the Reinvestment Zone, and use and expend them solely as provided in this Agreement.

Section 3: Representations as to the One-Acre Tract of Land. The Developer has agreed to donate to the community a one-acre tract of land in the Reinvestment Zone to be used for one or more community purposes. The Developer and the City agree that they will work together and with the Board of Directors to develop plans for the utilization of this one-acre tract of land.

ARTICLE IV

Remedies

Section 1: Default by the Developer. In the event that the Developer fails to proceed with the construction of at least one of the Facilities comprising the Project within twenty-four months of the availability of water and wastewater services to the Reinvestment Zone, the City shall have the right to terminate this Agreement in full without liability of any kind to the Developer. Furthermore, the City shall have no obligation to reimburse the Developer for expenditures made in connection with the construction of any Facility until the Facility is completed and accepted by the City.

Section 2: Default by the City. In the event of default by the City, the Developer shall be entitled to any remedy available to it by law to compel and require the City and the officials thereof to observe and perform the covenants, obligations, and conditions prescribed in this Agreement.

ARTICLE V

Miscellaneous

Section 1: Severability. The provisions of this Agreement are severable, and if any provision or part of this Agreement or the application thereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Agreement and the application of such provision or part of this Agreement to other persons or circumstances shall not be affected thereby.

Section 2: Modification. This Agreement shall be subject to change or modification only with the mutual written consent of the Developer and the City.

Section 3: Assignability. This Agreement may be assigned by the Developer without the prior written consent of the City.

Section 4: Captions. The captions appearing at the first of each numbered section or paragraph in this Agreement are inserted and included solely for convenience of reference and shall never be considered or given any effect in construing this Agreement.

Section 5: Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas. The obligations and undertakings of each of the parties to this Agreement shall be performable in Hays County, Texas.

Section 6: Parties at Interest. This Agreement shall be for the sole and exclusive benefit of the parties hereto and shall never be construed to confer any benefit on any third party.

Section 7: Term. Except as otherwise provided herein, this Agreement shall be in force and effect from the date of execution thereof and until December 31, 1996, or until such other earlier or later date as may be provided under other provisions hereof.

Section 8: Recording. This agreement, or a memorandum thereof may be recorded in the Real Property Records of Hays County, Texas, to evidence this agreement of the City and the Developer. The parties hereto further agree to execute such other documents in recordable form as may be determined necessary to provide notice to evidence that the tax increment funds for the Reinvestment Zone shall be allocated to the repayment of reimbursable expenditures relating to this Project and those expressly contemplated herein.

Section 9: Security Agreements. The City agrees to execute such documents as may reasonably be required to secure to the Developer's lender the tax increment funds for the Reinvestment Zone as collateral for the loan(s) for the Project.

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE EXECUTED THIS Agreement in multiple copies, each of equal dignity, as of the date and year set forth on the first page hereof.

CITY OF SAN MARCOS, TEXAS

By: Emmie Oddoch
Mayor

ATTEST:

Janis L. Womack
City Secretary

(SEAL)

FINANCIAL MANAGEMENT GROUP

By: [signature]
Its: Authorized Representative

STATE OF TEXAS §
§
COUNTY OF HAYS §

This instrument was acknowledged before me on May 22, 1985, by EMMIE CRADDOCK, Mayor of the City of San Marcos, Texas, on behalf of said city.

Janice S. Womack
NOTARY PUBLIC, State of Texas

Print Name: _____

My Commission Expires:
8/13/85

JANICE S. WOMACK
NOTARY PUBLIC, Hays County, Texas

STATE OF TEXAS §
§
COUNTY OF ~~HAYS~~ TRAVIS §

This instrument was acknowledged before me on 5-16-85, 1985, by Jack A. Vaughen, Authorized Representative of Financial Management Group, a partnership, on behalf of said partnership.

Karen E. Robinson
NOTARY PUBLIC, State of Texas

Print Name: KAREN E. ROBINSON

My Commission Expires:
5-11-88

C-4095

EXHIBIT A

DESCRIPTION OF 121.43 ACRES, MORE OR LESS, OF LAND AREA IN THE J. M. VERAMENDI SURVEY NO. 1, A-17, HAYS COUNTY, TEXAS, BEING ALL OF THE FOLLOWING TRACTS: 1) A 52.49-ACRE TRACT DESCRIBED IN A DEED FROM GEORGE NORMAN JACKSON, ET AL., TO JACK R. BARNES, TRUSTEE, DATED AUGUST 19, 1971 AND RECORDED IN VOLUME 245, PAGE 533 OF THE HAYS COUNTY DEED RECORDS, 2) A 35.10-ACRE TRACT DESCRIBED IN A DEED FROM JAMES MARCUS JACKSON, ET UX., TO JACK R. BARNES, TRUSTEE, DATED AUGUST 19, 1971 AND RECORDED IN VOLUME 245, PAGE 283 OF THE HAYS COUNTY DEED RECORDS, AND 3) A 33.91-ACRE TRACT DESCRIBED IN A DEED FROM GEORGE NORMAN JACKSON, SR. TO JACK R. BARNES, TRUSTEE, DATED AUGUST 19, 1971 AND RECORDED IN VOLUME 245, PAGE 286 OF THE HAYS COUNTY DEED RECORDS AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS;

BEGINNING at an iron rod found for the east corner of the Barnes 33.91-acre tract, the south corner of the 53.936-acre tract described in a deed from W. P. Donalson, et al., to Thermon Industrial Development Corporation dated September 19, 1980 and recorded in Volume 347, Page 629 of the Hays County Deed Records, and being in the northwest line of Interstate Highway No. 35;

THENCE leaving the PLACE OF BEGINNING with the common southeast line of all three Barnes tracts and northwest line of Interstate Highway No. 35 as shown on that plat No. 21038-83-a dated February 8, 1983 as prepared for Tribar by Dabney-Byrn and Associates, Inc. of San Marcos, Texas S45° 02'00"W 3431.99 feet to a 1/2" iron rod found at a fence corner for the south corner of the Barnes 52.49-acre tract and the east corner of that 10-acre tract conveyed in a deed from Victor Tobias, et ux., to Tereso Tobias, et ux., dated May 11, 1965 and recorded in Volume 205, Page 471 of the Hays County Deed Records pass at 790.41 feet a fence corner post for the south corner of the Barnes 33.91-acre tract and the west corner of the Barnes 35.10-acre tract, and pass at 1995.56 feet a fence corner post for the south corner of the Barnes 35.10-acre tract and the east corner of the Barnes 52.49-acre tract;

THENCE leaving the highway with the common line as fenced and used upon the ground of the Barnes 52.49-acre tract and Tobias 10-acre tract the following three courses:

1. N44° 31'24"W 1028.15 feet to an angle point,
2. N44° 17'54"W 163.86 feet to an angle point,
3. N44° 13'28"W 440.86 feet to 1/2" iron rod set for the west corner of the Barnes 52.49-acre tract and north corner of the Tobias 10-acre tract and being in the

southeast line of the Missouri, Kansas, and Texas Railroad right-of-way from which a fence corner post bears N44° 13'28"W 2.0 feet;

THENCE with the common northwest line of all three Barnes tracts and the southeast line of the Missouri, Kansas, Texas Railroad right-of-way, being a line 50 feet from and parallel to the centerline of the railroad tracks N48° 07'12"E 3437.29 feet to a 1/2" iron rod set for the north corner of the Barnes 33.91-acre tract and west corner of the aforereferenced Thermon Industrial Development Corporation tract, pass at 1432.99 feet to a 1/2" iron pipe found for the north corner of the Barnes 52.49-acre tract and the west corner of the Barnes 35.10-acre tract and pass at approximately 2426.25 feet a point for the north corner of the Barnes 35.10-acre tract and the west corner of the Barnes 33.91-acre tract and from said iron rod set a fence corner post bears N44° 20'16"W 2.0 feet and a 1/2" iron rod found bears N44° 20'16"W 0.3 feet;

THENCE with the common line as fenced and used upon the ground of Barnes 33.91-acre tract and the Thermon Industrial Development Corporation tract S44° 20'16"E 1447.79 feet to the PLACE OF BEGINNING.

C-4095

EXHIBIT B

CERTIFICATE

THE STATE OF TEXAS §
§
COUNTY OF HAYS §

Developer hereby certifies that the following construction contract has been completed and that final payment has been made to the contractor:

(Description of construction contract, including name of contractor, date of contract, and Facilites constructed.)

All Facilities constructed pursuant to said contract are hereby transferred to the City of San Marcos, Texas, free and clear of all liens, claims, and encumbrances.

Witness my signature this _____ day of _____, 19__.

DEVELOPER

By: _____
Its: _____

The above described Facilities have been accepted by the City of San Marcos as of the _____ day of _____, 19__.

_____
City Manager
City of San Marcos

C-4095

EXHIBIT C

1.	Engineering Fees	$ 22,696.86
2.	Planning Fees	$ 18,185.10
3.	Legal Fees	$ 21,279.84
4.	Accounting Fees	$ 8,275.00
	Total Fees	$ 70,436.80

These expenses were incurred in connection with the Project since March 1, 1984.

FILED
HAYS COUNTY, TEXAS
'85 SEP 17 PM 3 57
COUNTY CLERK

STATE OF TEXAS }
COUNTY OF HAYS }
I hereby certify that this instrument was FILED on the date and at the time stamped hereon by me and was duly RECORDED, in the Volume and Page of the named RECORDS of Hays County, Texas, as stamped hereon by me.

SEP 18 1985

Lynne B. Clayton
COUNTY CLERK
HAYS COUNTY, TEXAS

(28)

File No. 155377

HAYS County

TITLE COMMITMENT

Date Filed: 9-18-09

Jerry E. Patterson, Commissioner

By Susan Flusche